



MBOMBELA LOCAL MUNICIPALITY

2015/2016 – 2017/2018 DRAFT BUDGET AND MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)

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ABBREVIATIONS, ACRONYMS AND DEFINITIONS

COGTA – Department of Co-operative Governance and Traditional Affairs

CPI – Consumer Price Index

DORA – Division of Revenue Act

EPWP – Expanded Public Works Programmes

GDP - Gross Domestic Product

GRAP – Generally Recognised Accounting Practice

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

INEPG – Integrated National Electrification Programme Grant

MFMA – Municipal Finance Management Act, 56 of 2003

MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act, 06 of 2004

MSA – Municipal Systems Act, 32 of 2000

MTREF – Medium-term Revenue and Expenditure Framework

MWIG – Municipal Water Infrastructure Grant

NDPG – Neighbourhood Development Programme Grant

NERSA – National Electricity Regulator of South Africa

NT – National Treasury

PT – Provincial Treasury

PTISG – Public Transport Infrastructure Systems Grant

SDBIP – Service Delivery and Budget Implementation Plan

WSOSG – Water Services Operating Subsidy Grant

The Act – Refers to the Municipal Finance Management Act, 56 of 2003

Adjustment Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Equitable Share – A general grant paid to municipalities.

Operational Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries and wages, and repairs and maintenance.

Rates – Local Government tax based on assessed valuation of a property.

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality for a specific period.

Capital Expenditure – Spending on municipal assets such as property, plant and equipments. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

PART 1 – ANNUAL BUDGET

1.1 MAYOR'S REPORT

The 2015/2016 Budget and Medium-Term Revenue and Expenditure Framework (MTREF) was prepared taking into account various macro and internal environment factors. What is fundamental is the internal factor in relation to the implementation of the turnaround strategy, approved by the municipal council on 21 August 2015.

The turnaround strategy is developed to address the following key matters which impact negatively on the administrative and operational capacity of the municipality;

- (a) Financial Management – comprising of matters of revenue enhancement, cost curtailment, fleet management, supply chain management and clean audit roadmap.
- (b) Service Delivery – comprising of acceleration of spending on capital projects, water supply interventions, waste management and cleanliness, repairs and maintenance of the municipal infrastructure.
- (c) Governance and Institutional Development – comprising of filling of critical vacant positions, risk management, performance monitoring and evaluation, internal audit, system of delegations of powers and functions, ICT governance etc.
- (d) Social and Economic Development – comprising of local economic development strategy, rural development, spatial planning, integrated human settlement etc.

The municipal developmental priorities tabulated on the Integrated Development Plan played a critical role in terms of allocation of the limited financial resources contained on the 2015/2016 draft budget and Medium-Term Revenue and Expenditure Framework (MTREF). The following are the key municipal priorities in terms of the draft revised IDP for 2015/2016;

- (a) Water supply;
- (b) Road infrastructure development and storm water;
- (c) Electricity supply and management;
- (d) Integrated human settlement;

- (e) Good governance and public participation;
- (f) Sanitation;
- (g) Community development;
- (h) Rural development;
- (i) Economic development;
- (j) Waste and environment management;
- (k) Financial management and viability;
- (l) Public transport;
- (m) Revenue enhancement; and
- (n) 2010 legacy.

From a macro environment perspective, the economic performance over the medium-term looks bleak as a slow economic growth trends has been forecasted and the reflections of this unfavourable economic growth condition will impact negatively on all spheres of government. The revenue base of the municipality will be under pressure as no new revenues will be derived at the moment due to the slow economic growth and local circumstances.

The growth of the national economy measured in terms of the real Gross Domestic Product (GDP) is expected at 2.5 per cent on average over the medium-term which is far less than the annual national economic growth target of 5 to 7 per cent set by the National Development Plan. The slow economic growth impacts negatively on the reduction of poverty, inequality and unemployment.

The consumer price inflation is expected to stay within the 3 to 6 per cent inflation target set by the South African Reserve Bank over the medium-term.

It is projected that the revenue of the municipality will increase by 22 per cent in 2015/2015 and this increase is mainly attributable by the increase on tariffs and fees for rates and services charges which will average to 9.24 per cent and grant allocation from the National fiscus increase by 8 per cent.

The water tariffs will increase very significantly by 38 per cent however there will be a relief on this drastic increase which will be the decrease on the sanitation tariffs by 18 per cent. This increase and decrease on water and sanitation respectively, is due to the implementation of the cost reflective tariffs as a result of the

review of the cost structure of the function which is in line with the Municipal Finance Management Act Circular No. 51.

The operating expenditure is projected to increase by an average of 7.19 per cent in 2015/2016. The wage talk agreement between the SALGA bargaining council and the organised labour has not been concluded and this matter poses a serious financial risk of affordability on the municipality, however the municipality has made a provision of 6 per cent for the increase employee salaries.

The capital expenditure budget will increase by 4 per cent to R545 million in 2015/2016 and over the medium-term, the budget will increase by 19 per cent to R623 million. The water and sanitation priority has been allocated 47 per cent of the capital budget, followed by roads and stormwater, and public transport at 14 per cent of the capital budget.

The other considerations taken into on preparation of the draft budget are;

- (a) The implementation of National Treasury Standard of Chart of Accounts (SCOA) by all municipalities on 01 July 2017.
- (b) The re-demarcation of the municipal boundary (proposed amalgamation with uMjindi Local Municipality).
- (c) To ensure maximum participation of the nine (9) Traditional Leaders Council in the municipal council business a sitting allowance will be introduced in line with the Ehlanzeni District Municipality's policy.
- (d) The development of the twelve (12) point plan to financial and cashflow performance of the municipality.

In conclusion, the 2015/2016 draft budget is summarised as follows;

The total budget for 2015/2016 will amount to R2 677 million from a total budget of R2 441 billion in 2014/2015, showing an increase of 10 per cent of R236 million and further increases to R3 162 billion over the medium-term.

The operating expenditure budget for 2015/2016 will amount to R2 134 billion, showing an increase of 11 per cent or R216 million from the 2014/2015 budget of R1 918 billion.

The capital expenditure budget which is 20 per cent of the total budget, will amount to R545 million in 2015/2016, showing an increase of 4 per cent or R22 million from the 2014/2015 budget of R523 million and further increases to R623 million over the medium-term.

The operating revenue budget will amount to R2110 billion, showing an increase of 22 per cent or R382 million from the 2014/2015 budget of R1 728 billion and further increases to R2 597 billion over the medium-term.

The operating revenue from property rates and services charges increase by 10 per cent from R1 125 billion to R1 242 billion in 2015/2016 and further increases to R1 579 billion over the medium-term.

The total grants allocation in 2015/2016 amounts to R981 million, showing an increase of 8 per cent from the 2014/2015 allocation of R908 million – Operating grants increases by 19 per cent to R472 million and conditional grants decreases to R510 million.

1.2 COUNCIL RESOLUTIONS

On 31 March 2015, under item A(5), the council of Mbombela Local Municipality met at Ehlanzeni District Municipality council chambers to consider 2015/2016 – 2017/2018 draft annual Budget and Medium-Term Revenue and Expenditure Framework report tabled by the Executive Mayor and resolved that;

- (a) Council cognizance of the content of the report;
- (b) the draft budget and medium term revenue and expenditure framework (MTREF) consisting of an operating and capital budget for 2015/2016 – 2017/2018 financial years, as reflected on the below schedule be adopted;

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17
Financial Performance										
Property rates	245,816	274,262	290,608	324,308	334,063	334,063	334,063	359,793	389,941	426,010
Service charges	586,181	635,229	709,239	800,233	803,485	803,485	803,485	882,602	1,004,598	1,153,237
Inv estment revenue	–	–	–	6,226	6,226	6,226	6,226	9,475	10,611	11,885
Transfers recognised - operational	375,143	382,171	359,287	397,237	395,322	395,322	395,322	574,714	614,100	669,574
Other own revenue	126,062	215,973	178,536	200,148	207,345	207,345	207,345	283,761	305,014	336,176
Total Revenue (excluding capital transfers and contributions)	1,333,202	1,507,635	1,537,671	1,728,151	1,746,441	1,746,441	1,746,441	2,110,344	2,324,265	2,596,883
Employee costs	389,231	418,218	459,897	483,443	492,574	492,574	492,574	540,969	618,270	703,797
Remuneration of councillors	19,302	20,925	25,892	27,724	27,724	27,724	27,724	29,411	31,176	33,046
Depreciation & asset impairment	291,288	240,802	217,955	234,411	211,098	211,098	211,098	191,056	197,235	203,613
Finance charges	42,703	46,639	52,684	51,682	52,563	52,563	52,563	54,340	52,233	50,195
Materials and bulk purchases	369,832	419,565	437,831	489,230	492,554	492,554	492,554	574,537	648,387	736,892
Transfers and grants	–	25,874	23,707	138,363	148,697	148,697	148,697	120,039	119,515	133,516
Other expenditure	560,428	623,529	629,735	493,600	548,282	548,282	548,282	623,788	653,682	679,196
Total Expenditure	1,672,784	1,795,551	1,847,700	1,918,454	1,973,492	1,973,492	1,973,492	2,134,140	2,320,497	2,540,254
Surplus/(Deficit)	(339,582)	(287,916)	(310,030)	(190,302)	(227,050)	(227,050)	(227,050)	(23,796)	3,768	56,629
Transfers recognised - capital	89,511	168,277	170,643	511,234	615,304	615,304	615,304	406,592	424,738	453,671
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(250,071)	(119,639)	(139,386)	320,932	388,254	388,254	388,254	382,796	428,505	510,300
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(250,071)	(119,639)	(139,386)	320,932	388,254	388,254	388,254	382,796	428,505	510,300
Capital expenditure & funds sources										
Capital expenditure	194,948	236,732	230,742	522,517	698,262	698,262	698,262	544,771	557,834	622,618
Transfers recognised - capital	90,336	163,788	176,109	418,672	505,691	505,691	505,691	406,592	424,738	453,671
Public contributions & donations	2,886	3,904	4,072	3,150	5,042	5,042	5,042	3,058	3,425	3,836
Borrowing	33,130	28,497	15,044	40,656	108,496	108,496	108,496	35,280	–	–
Internally generated funds	68,597	40,544	35,517	60,039	79,033	79,033	79,033	99,841	129,672	165,111
Total sources of capital funds	194,948	236,732	230,742	522,517	698,262	698,262	698,262	544,771	557,834	622,618
Financial position										
Total current assets	209,942	189,657	279,661	450,748	277,765	277,765	277,765	412,389	569,657	759,162
Total non current assets	5,556,114	5,487,244	5,505,817	6,255,304	5,636,897	5,636,897	5,636,897	5,854,002	6,123,950	6,479,457
Total current liabilities	556,235	668,456	842,239	268,979	476,152	476,152	476,152	397,958	393,910	426,773
Total non current liabilities	468,813	411,415	485,594	476,309	592,446	592,446	592,446	639,573	642,331	644,182
Community w ealth/Equity	4,741,008	4,597,030	4,457,644	5,960,765	4,846,064	4,846,064	4,846,064	5,228,860	5,657,366	6,167,665
Cash flows										
Net cash from (used) operating	169,427	237,553	267,046	567,094	574,177	574,177	574,177	670,258	733,649	836,593
Net cash from (used) investing	(177,919)	(236,531)	(226,517)	(436,529)	(608,353)	(608,353)	(608,353)	(540,381)	(552,917)	(617,111)
Net cash from (used) financing	28,511	(17,256)	36,026	60,322	91,850	91,850	91,850	25,889	(20,560)	(23,451)
Cash/cash equivalents at the year end	35,792	19,558	96,112	310,163	153,786	153,786	153,786	309,553	469,725	665,755
Cash backing/surplus reconciliation										
Cash and inv estments available	49,425	33,255	110,496	348,900	169,443	169,443	169,443	326,595	488,274	685,946
Application of cash and inv estments	385,297	490,034	652,439	113,557	335,629	335,629	335,629	271,901	267,550	304,177
Balance - surplus (shortfall)	(335,872)	(456,779)	(541,943)	235,343	(166,187)	(166,187)	(166,187)	54,694	220,725	381,769
Asset management										
Asset register summary (WDV)	5,541,848	5,473,075	5,490,998	6,216,567	5,620,819	5,620,819	5,620,819	5,836,551	6,105,004	6,458,882
Depreciation & asset impairment	291,288	240,802	217,955	234,411	211,098	211,098	211,098	191,056	197,235	203,613
Renewal of Existing Assets	43,869	73,709	69,523	318,296	370,310	370,310	370,310	352,561	386,066	446,706
Repairs and Maintenance	133,564	153,645	148,020	119,283	172,915	172,915	172,915	181,561	188,872	197,407
Free services										
Cost of Free Basic Services provided	27,813	50,764	51,779	138,363	138,363	138,363	138,363	142,514	146,789	151,193
Revenue cost of free services provided	120,431	152,994	156,054	432,724	432,724	432,724	432,724	489,735	515,906	543,487
Households below minimum service level										
Water:	36	32	29	26	26	26	26	28	28	29
Sanitation/sew erage:	65	62	58	54	54	54	54	57	58	58
Energy:	15	14	15	13	13	13	13	13	13	13
Refuse:	22	37	38	41	41	41	41	42	42	42

(c) the draft operating projects expenditure budgets for the 2015/2016 – 2017/2018 financial years, (**Annexure 255/15**) summarised as per municipal priority as tabulated below, be adopted;

DEPARTMENT	MUNICIPAL PRIORITY	Sum of 2015/2016 BUDGET ESTIMATE	Sum of 2016/2017 BUDGET FORECAST	Sum of 2017/2018 BUDGET FORECAST
Chief Operating Officer	Good Governance and Institutional Development	R 13,102,775	R 6,917,155	R 6,972,895
Chief Operating Officer Total		R 13,102,775	R 6,917,155	R 6,972,895
Community Services	Community Development	R 1,710,000	R 1,635,000	R 1,722,500
	Community Development	R 8,170,000	R 9,545,500	R 11,724,563
	Revenue Enhancement	R 300,000	R -	R -
	Waste and Environmental Management	R 2,773,026	R 2,515,614	R 750,000
Community Services Total		R 12,953,026	R 13,696,114	R 14,197,063
Corporate Services	Good governance	R 14,340,000	R 16,040,000	R 16,110,000
Corporate Services Total		R 14,340,000	R 16,040,000	R 16,110,000
Council	Good Governance and Institutional Development	R 9,004,020	R 9,675,291	R 10,285,017
Council Total		R 9,004,020	R 9,675,291	R 10,285,017
Finance	Financial Management	R 15,274,580	R 16,144,416	R 12,266,939
	Revenue Enhancement	R 5,228,043	R 5,570,000	R 6,476,000
	Revenue Management	R 2,800,000	R 3,069,000	R 3,275,000
Finance Total		R 23,302,623	R 24,783,416	R 22,017,939
Infrastructure Development	Electricity Supply Management	R 5,305,320	R 5,563,613	R 4,522,240
	Good Governance and Institutional Development	R 13,081,754	R 13,636,798	R 14,468,816
	Public Transport	R 25,222,807	R 26,094,737	R 34,131,579
	Revenue Enhancement	R 6,411,547	R 6,748,771	R 7,099,108
	Roads and Stormwater	R 15,079,062	R 16,920,618	R 19,013,190
Infrastructure Development Total		R 65,100,490	R 68,964,537	R 79,234,932
LED, Urban, Rural and Human Settlement	Economic Development	R 21,475,000	R 22,367,950	R 24,736,803
	Integrated human settlements	R 7,984,950	R 8,488,536	R 9,086,580
	Rural Development	R 1,279,289	R 1,343,253	R 991,956
LED, Urban, Rural and Human Settlement Total		R 30,739,239	R 32,199,739	R 34,815,339
Municipal Manager	Good Governance and Institutional Development	R 6,639,232	R 6,988,420	R 7,451,208
Municipal Manager Total		R 6,639,232	R 6,988,420	R 7,451,208
Planning	Good Governance and Institutional Development	R 7,040,000	R 7,888,400	R 8,651,704
Planning Total		R 7,040,000	R 7,888,400	R 8,651,704
Water and Sanitation	Revenue Enhancement	R 6,411,547	R 6,748,771	R 7,099,108
	Sanitation	R 3,108,938	R 3,314,534	R 4,028,124
	Water Supply	R 1,507,408	R 1,957,663	R 2,215,706
	Water Supply & Sanitation	R 3,100,000	R 2,850,000	R 2,300,000
Water and Sanitation Total		R 14,127,893	R 14,870,968	R 15,642,938
Grand Total		R 196,349,298	R 202,024,040	R 215,379,035

(d) the draft capital budget for the 2015/2016 – 2017/2018 financial years, detailed as per **Annexure 256/15**, summarised per priority as tabulated below, be adopted;

MUNICIPAL PRIORITY	2014/2015 ORIGINAL BUDGET	2015/2016 BUDGET ESTIMATE	2016/2017 BUDGET FORECAST	2017/2018 BUDGET FORECAST	TOTAL BUDGET	% ALLOCATION	% INCREASE 2014/15 TO 2015/16
Water Supply	R 161,423,529	R 208,276,984	R 232,789,301	R 295,900,908	R 736,967,193	43%	29%
Roads and Stormwater	R 61,621,266	R 95,836,333	R 75,890,000	R 71,580,000	R 243,306,333	14%	56%
Public Transport	R 155,936,905	R 77,005,263	R 81,000,000	R 82,094,737	R 240,100,000	14%	-51%
Economic Development	R 3,937,193	R 21,670,061	R 35,111,827	R 47,801,708	R 104,583,596	6%	450%
Community Development	R 38,572,133	R 38,843,477	R 32,889,288	R 17,305,303	R 89,038,067	5%	1%
Electricity supply management	R 17,749,240	R 28,738,822	R 21,004,396	R 29,107,390	R 78,850,608	5%	62%
Sanitation	R 42,224,679	R 34,223,056	R 29,323,990	R 6,234,202	R 69,781,248	4%	-19%
Good governance and institutional development	R 14,470,000	R 17,928,182	R 18,395,607	R 22,655,655	R 58,979,444	3%	24%
Waste and Environmental Management	R 9,500,000	R 9,755,352	R 16,299,621	R 26,963,924	R 53,018,897	3%	3%
Financial Management	R 5,700,000	R 6,339,301	R 9,318,115	R 13,922,863	R 29,580,279	2%	11%
Revenue enhancement	R 4,764,912	R 3,684,134	R 3,894,718	R 6,236,606	R 13,815,458	1%	-23%
2010 Legacy	R 1,212,000	R 1,542,067	R 2,217,359	R 3,255,303	R 7,014,729	0%	27%
Rural Development	R 400,000	R 2,000,000	R 1,917,184	R 2,814,617	R 6,731,801	0%	400%
Integrated Human Settlements	R 5,005,471	R 470,000	R -	R -	R 470,000	0%	-91%
Grand Total	R 522,517,328	R 544,770,965	R 557,834,047	R 622,617,913	R 1,732,237,654	100%	4%

(e) the draft annual budget for the financial year 2015/2016; and indicative allocations for the two projected outer years 2016/2017 and 2017/2018; and the multi-year and single year capital appropriations, as set-out in the new budget and reporting regulations, (**Annexure 257/15**) be adopted as follows;

- Budgeted Financial Performance (revenue and expenditure by standard classification)
- Budgeted Financial Performance (revenue and expenditure by municipal vote)
- Budgeted Financial Performance (revenue by source and expenditure by type)
- Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source

(f) the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets as set out in the new budget and reporting regulations in the following tables as in **Annexure 257/15**, be adopted;

- Budgeted financial position
- Budgeted cash flows
- Cash backed reserves and accumulated surplus reconciliation
- Asset management
- Basic service delivery measurement

(g) in terms of sections 24(2)(c)(i) and (ii) of the Local Government : Municipal Finance Management Act, 56 of 2003, sections 74 and 75A of the Local Government: Municipal Systems Act, 32 of 2000, as amended and the Municipal Property Rates Act, 6 of 2004, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out below, that were used to prepare the estimates of revenue by source, be considered for implementation with effect from 1 July 2015;

Description	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Proposed	2016/17 Forecast	2017/18 Forecast
Electricity	12.0%	8.0%	8.06%	12.20%	12.20%	12.20%
Water	9.75%	8.0%	8.5%	38.0%	37.0%	35.0%
Sewer	9.75%	8.0%	8.5%	-18.0%	-18.0%	-18.0%
Refuse Removal	10.25%	9.50%	10.0%	8.0%	8.4%	8.8%
Property Rates	6.5%	6.5%	0.0%	6.0%	6.0%	6.0%
Other tariffs	11.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Sembcorp Water and Sewerage – Domestic users	10.42%	9.0% - 13.5%	10.33%	10.31%	CPI + 3%	CPI + 3%
Sembcorp Water and Sewerage – Business users	10.42%	9.0% - 18.0%	10.33%	10.31%	CPI + 3%	CPI + 3%

(h) note be taken that the draft capital budget for 2015/2016 does not include any projects to be rolled-over from 2014/2015 financial year;

(i) the twelve (12) point plan to improve financial and cashflow performance in line with the implementation of the turnaround strategy as per the table below be approved;

TWELVE (12) POINT PLAN CASHFLOW PERFORMANCE IMPROVEMENT					
No.	Item	Description	Projected revenue / savings	Responsible	Time frame
1	Overtime Expenditure	Reduction of overtime expenditure of R52 million per annum by 25% per annum.	Cost reduction of R13 million per annum will be realised	All Departments	01-Apr-15 to 30-Jun-16
2	Fleet management	Reduction of fleet related expenditure of R31 million for 310 motor vehicles by 15% per annum.	Cost reduction of R4.7 million to be realised per annum	Finance	01-Nov-14 to 30-Jun-16
3	Water losses	Reduction of water losses from 40,5 (R54 million) % to 25 % over the medium term at 15 % per annum	Additional revenue R8 million revenue will be generated	Finance, and Water and Sanitation	01-Apr-15 to 30-Jun-2016
4	Electricity losses	Reduction of electricity losses from 21% (R42 million) to the norm of 10 % over the medium term	Additional revenue of R20 million can be generated.	Finance and Infrastructure Development	01-Apr-15 to 30-Jun-16
5	Capital Expenditure Performance	Capital expenditure performance of 70% is achieved		All Departments	30-Jun-15
		Capital expenditure performance of 90% is achieved in 2015/2016	Procurement planning for 2015/2016 to start in April 2015 after adoption of	All Departments	30-Jun-16
6	Expired contract for supply of goods and services	Repairs and maintenance contracts for supply of goods and services to be reviewed and advertised	Reduction in cost due to non-essential of certain contracts for supply of goods and services	All Departments	01-Apr-15 to 30-Jun-16
7	Eskom Bulk Electricity Account Arrears	Settle the Eskom bulk electricity account arrears	The saving on interest charges of R1.2 million average per month will be realised	Finance	31-Mar-15
8	Cost reflective tariff structure	Implementation of the cost reflective tariff structure for the water and sanitation tariffs over the medium term	Additioanl revenue of R 76 million to be generated over the medium term	Finance	1-Jul-15

No.	Item	Description	Projected revenue / savings	Responsible	Time frame
9	Equitable share	Implementation of the new equitable share formula by National Treasury which indicates an increase of the grant by 19% from an average of 11 % in 2015 / 2016	Equitable share allocation for 2015/2016 increase by R74 million to R462 million - if the average 11% was applied, it would have increase by R43 million	Finance	2015/2016
10	Debt Collection	Handing over of outstanding municipal debt of R 237 million to external debt collectors with a projected collection of 60% over the medium term	R 142 million collected over the medium term projected as follows: R43m - 2015/16 R43m - 2016/17	Finance	28-Feb-15
		Incentivise the collectors with an additional 3% subject to collection within the required time frames	R56m - 2017/18		31-Mar-15
	Incentive Scheme for good payers	Introduction of a reliable customer payment discount incentive. 1 % discount on accounts that are paid in full on a monthly basis not later than 7th of each month.	R12m in foregone income.	Finance	1-Jul-15
11	Traffic fines	Introduction of a once - off traffic fines amnesty programme on outstanding traffic fines amounting to R65 million for the month of May and June 2015. A 50 % discount on outstanding traffic fines be implemented during the amnesty period	A hit rate of 60% is projected resulting in estimated collection of R19m in outstanding fines.	Community Services	30-Jun-15
		Appointment of external debt collector for the collection of outstanding traffic fines after the amnesty period on a commission basis.			Finance
12	Stadium Management	Selling of naming rights for the Mbombela Stadium	A projection of R5 to R10 million per annum is projected.	Community Services	1-Jul-15

(j) the payment of an allowance of R908.00 per sitting to Traditional leaders pertaining to any council business with effect from 01 July 2015, be approved.

1.3 EXECUTIVE SUMMARY

The application of sound budget and financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers and also promulgating its credit control and debt collection policy into a by law.

National Treasury's MFMA Circulars in relation to municipal budget process were used to guide the compilation of the draft 2015/2016 – 2017/2018 annual budget and MTREF. The planning of the budget involved consideration of all factors, which had far reaching implications on the annual budget of the municipality.

The 2015/2016 – 2017/2018 budget and medium-term revenue and expenditure framework was compiled based on the fundamentals of the municipal developmental priorities tabulated on the Integrated Developmental Plan and the following are priorities, guidelines and assumptions which guided the compilation of this draft budget.

1.3.1 National priorities

National priorities- Expanding public sector investment infrastructure

The key priorities in the local government and housing function are the provision of basic services such as water and sanitation, human settlements development and local government infrastructure.

In addition, creating decent employment opportunities remains a national priority and the municipality need to continue to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the Expanded Public Works Programme.

1.3.2 Micro environment factors – economic outlook

From a macro environment perspective, the economic performance over the medium-term looks bleak as a slow economic growth trends has been forecasted and the reflections of this unfavourable economic growth condition will impact negatively on all spheres of government. The revenue base of the municipality will be under pressure as no new revenues will be derived at the moment due to the slow economic growth and local circumstances.

As a consequence of the distress economy a conservative approach will need to be adopted when projections are made for expected revenues cash receipts in the next medium-term.

On the expenditure side - careful analysis and evaluation of the current spending patterns need to be conducted so that the allocation of funds in the next medium-term is in line with the key municipal priorities and non-priority spending is eliminated (austerity measures need to be implemented).

The South African economic growth outlook in 2014 to 2017 is expected to be as follows;

Description	2014 Actual	2015 Actual	2016 Estimate	2017 Forecast	2018 Forecast
Real GDP	2.2%	1.4%	2.0%	2.4%	3.0%

In terms of the headline inflation forecast over the medium-term, the consumer price index is expected to bridge the 3 to 6 per cent inflation target set by the South African Reserve Bank over the medium-term. The national economic growth will be under pressure and as the economy will be growing on an average of 2.5 per cent over the medium-term which is far less than the annual national economic growth target of 5 to 7 per cent set by the National Development Plan. The slow economic growth impacts negatively on the reduction of poverty, inequality and unemployment.

The forecasted headline inflation for medium-term will be as follows;

Description	2014 Actual	2015 Actual	2016 Estimate	2017 Forecast	2018 Forecast
Inflation Outlook	5.6%	6.2%	5.8%	5.5%	5.3%

1.3.3 Revenue enhancement assumptions

The municipality has recently appointed a service provider to assist in developing an appropriate cost reflective structure on water and sanitation tariffs to phase in the necessary tariff increase in a manner that will spread the impact on consumer over a period of time as prescribed in MFMA Circular 58. The service provider will further ensure that the timelines or deliverables per categories below are met

(a) Grants allocations

The total grants allocated to the municipality in terms of the 2015 Division of Revenue Bill (DoRB) amounts R3 143 billion over the medium-term, reflecting an increase of R264 million (8%) and the total allocation for 2015/2016 budget year is R981 million. The table below provides details regarding the 2015/2016 grants allocation over the medium. The total grant in-kind allocation over the medium-term amounts to R313 million.

The table below provides details regarding the 2015/2016 grants allocation over the medium.

DESCRIPTION	Forecast 2014/2015	Forecast 2015/2016	Forecast 2016/2017	Forecast 2017/2018
GRANT				
OPERATING GRANT	14%	19%	9%	8%
Equitable Share	R 388,663,000	R 462,073,000	R 503,877,000	R 544,750,000
Municipal Systems Improvement Grant (MSIG)	R 934,000	R 930,000	R 957,000	R 1,033,000
Financial Management Grant (FMG)	R 1,600,000	R 1,600,000	R 1,625,000	R 1,700,000
Expanded Public Works Programme	R 6,040,000	R 6,899,000	R -	R -
Water Service Operating Grant				
TOTAL OPERATIONAL ALLOCATION	R 397,237,000	R 471,502,000	R 506,459,000	R 547,483,000
Growth (%)	15%	19%	7%	8%
CAPITAL GRANTS				
Municipal Infrastructure Grant (MIG)	R 286,043,000	R 298,264,000	R 310,919,000	R 329,889,000
Municipal Water Infrastructure Grant (MWIG)	R -	R 55,000,000	R 47,372,000	R 42,550,000
Neighbourhood Development Partnership Grant	R 5,000,000	R 20,000,000	R 30,000,000	R 35,000,000
Public Transport Infrastructure and Systems Grant	R 195,191,000	R 116,540,000	R 122,088,000	R 132,498,000
Water Service Operating Subsidy Grant	R 15,000,000	R 20,000,000	R 15,000,000	R 20,825,000
Intergrated National Electrification Programme	R 10,000,000	R -	R 7,000,000	R 15,000,000
Electricity Demand Side Management	R -	R -	R -	R -
TOTAL CAPITAL ALLOCATION	R 511,234,000	R 509,804,000	R 532,379,000	R 575,762,000
Growth (%)	29%	0%	-4%	8%
TOTAL ALLOCATION	908,471,000	981,306,000	1,038,838,000	1,123,245,000
Growth (%)	22%	8%	6%	8%
IN-KIND ALLOCATIONS				
Regional Bulk Infrastructure	-	30,000,000	30,000,000	48,000,000
Intergrated National Electrification Programme	76,117,000	50,438,000	74,115,000	77,321,000
Water Services Operating Subsidy	300,000			
Municipal Water Infrastructure Grant	18,151,000			
Neighbourhood Development Partnership Grant	1,567,000	1,785,000	600,000	600,000
TOTAL IN-KIND ALLOCATION	96,135,000	82,223,000	104,715,000	125,921,000

(b) Revising of rates, tariffs and other charges

The revision of the rates, tariffs and other charges for the 2015/2016 budgets and MTREF should take into account the labour (i.e. the wage agreements with unions) and other input costs of services provided by the municipality, the need to ensure financial sustainability, local economic conditions and the affordability of services, taking into consideration the municipality's indigent policy.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality.

To ensure the municipality continue to efficiently deliver services, eradicate backlogs in term of services and social infrastructure, maintain, upgrade and renewal of the existing infrastructure as well as ensuring financial stability and long-term sustainability, the increase of rates, tariffs and other charges over the medium-term is proposed to be as follows;

Description	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Proposed	2016/17 Forecast	2017/18 Forecast
Electricity	12.0%	8.0%	8.06%	12.20%	12.20%	12.20%
Water	9.75%	8.0%	8.5%	38.0%	37.0%	35.0%
Sewer	9.75%	8.0%	8.5%	-18.0%	-18.0%	-18.0%
Refuse Removal	10.25%	9.50%	10.0%	8.0%	8.4%	8.8%
Property Rates	6.5%	6.5%	0.0%	6.0%	6.0%	6.0%
Other tariffs	11.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Sembcorp Water and Sewerage – Domestic users	10.42%	9.0% - 13.5%	10.33%	10.31%	CPI + 3%	CPI + 3%
Sembcorp Water and Sewerage – Business users	10.42%	9.0% - 18.0%	10.33%	10.31%	CPI + 3%	CPI + 3%

The above table reflects that the average increase on rates and service charge tariffs for 2015/2016 in the municipality serviced areas will be 9.24 per cent and 9.06 per cent over the medium-term.

Sembcorp tariffs increase is determined in accordance with tariff model stipulated on the Service Agreement Three (3) which takes the current consumer price indexes (CPI) per commodity plus a margin of 3% and other economic factors into account.

The municipality should ensure the revision of its electricity tariffs is in line with the National Energy Regulator of South Africa (NERSA) guidelines of 12.20 per cent increase in 2015/2016. The recent reapplication by Eskom to have an additional electricity tariff increase of 12.31 per cent in 2015/2016 in addition to the 12.69 per cent approved by NERSA poses a serious financial risk to the municipality.

In ensuring the municipal tariffs and fees for services are cost reflective, the following processes will be conducted by the municipality;

- (i) The water and sanitation tariffs and fees which are cost-reflective (A new water and sanitation cost structure based on the activity based costing system) will be implemented in 2015/2016 resulting in an increase of water tariffs by an average of 36 per cent over the medium-term and decrease in sanitation tariffs by an average of 18 per cent over the next five (5) years.
- (ii) The electricity cost structure will be reviewed utilising the activity based costing system and the revised cost structure and cost reflective tariffs will be implemented in 2016/2017.
- (iii) The solid waste cost-reflective tariffs will be implemented in 2016/2017 when a new solid waste cost structure based on the activity based costing system is implemented.
- (iv) The Licensing function will be subjected to a cost structure review by 30 July 2015 and the agency agreement with the Provincial Department of Safety and Security will be reviewed in order to recovery the full cost of the rendering the services on behalf of the Department through the agency fees.

(c) The ability of municipality to collect revenue (payment levels)

The payment level trends for the past three years and the forecast for the next mid-term, including current financial year estimate is as follows;

Description	Actual 2012/13	Actual 2013/14	Estimate 2014/15	Estimate 2015/16	Forecast 2016/17	Forecast 2017/18
Payment Levels	93%	95%	93%	95%	95%	95%

1.3.4 Operating expenditure guidelines and assumptions

The operating expenditure will increase by an average of 7.19 per cent in 2015/16, 8.14 percent in 2016/17 and 8.1 percent in 2017/18 with an exception of the key cost or expenditure drivers stated on the table below;

Operating Expenditure:	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Employees Related Cost	6.85%	6.80%	6.00%	6.90%	6.70%
Councillors Remuneration	5.80%	6.10%	6.00%	6.00%	6.00%
Contracted Services	7.49%	6.28%	5.08%	6.28%	6.13%
Bulk Purchases: Electricity	9.00%	8.06%	14.24%	14.24%	14.24%
Bulk Purchases: Water	5.80%	8.30%	6.50%	8.10%	7.90%
Other Materials	8.80%	8.44%	7.12%	8.40%	8.24%
Transfers and Grants	6.10%	7.68%	6.28%	7.62%	7.45%
Other Expenditure	6.10%	7.68%	6.28%	7.62%	7.45%
Average Increase %	6.99%	7.42%	7.19%	8.14%	8.01%

1.3.5 Capital budget over the medium - term

The funding of the capital expenditure will be sourced from conditional grants allocations, external loans (borrowings) and internal reserves. No new external loans (borrowings) will be sourced during the medium-term. The borrowings funding source in 2014/2015 will be a portion of the external loan of R160 million taken in October 2013.

1.3.6 Provision of free basic services provision to the indigent households

The Indigent Policy of the municipality as approved by Council in 2003 is in line with the National Policy on provision of Free Basic Services with its objective of providing free access to basic services to the poor and enhancing the fight against poverty. This policy is being reviewed to be in line with the requirements proposed by the National Department of Cooperative Governance and Traditional Affairs on an annual basis

The following assumptions were also taken into consideration towards the provision of free basic services;

- (a) Reducing the impact of poverty through free basic service provision;
- (b) Protecting the poor from the harsh economic realities;

The municipality will be offering the following free basic services:

Free Basic Water	6kl per month
Free Basic Electricity	50kW per month
Free Basic refuse removal	100 % subsidy on tariff
Rebate on property rates	Rebates ranging from 25% to 100% and first R80 000.00 market value being 100% exempted from rates.
Free Basic Sewer	6kl per month

Other considerations

- (a) The implementation of National Treasury Standard of Chart of Accounts (SCOA) by all municipalities on 01 July 2017.
- (b) The re-demarcation of the municipal boundary (proposed amalgamation with uMjindi Local Municipality).
- (c) To ensure maximum participation of the nine (9) Traditional Leaders Council in the municipal council business a sitting allowance and re-imbursement of travelling expenses will be introduced in line with the Ehlanzeni District Municipality's policy.
- (d) As part of the process of the implementation of the turnaround strategy to improve financial performance and cashflow, a twelve (12) point plan is proposed to be implemented.

1.4 OPERATING REVENUE FRAMEWORK

For Mbombela Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- (a) National Treasury's guidelines and macroeconomic policy;
- (b) Growth in the City and continued economic development;
- (c) Efficient revenue management, which aims to ensure a 91 per cent annual collection rate for property rates and other key service charges such as electricity, water, sewerage and refuse removal services;
- (d) Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- (e) Achievement of full cost recovery of specific user charges especially in relation to trading services;
- (f) Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;

- (g) The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- (h) Increase ability to extend new services and recover costs;
- (i) The municipality's Indigent Policy and rendering of free basic services; and
- (j) Tariff policies of the municipality.

The following table is a summary of the 2015/16 annual budget and MTREF – Revenue classified by main source:

Description R thousand	Ref 1	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	245,816	274,262	290,608	324,308	334,063	334,063	334,063	359,793	389,941	426,010
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	493,156	536,399	600,817	681,348	681,348	681,348	681,348	741,660	835,794	945,728
Service charges - water revenue	2	25,453	24,667	27,482	30,074	30,136	30,136	30,136	45,759	68,563	100,707
Service charges - sanitation revenue	2	14,827	15,134	15,874	19,653	19,734	19,734	19,734	16,424	13,670	11,378
Service charges - refuse revenue	2	52,745	59,029	65,066	69,158	72,267	72,267	72,267	78,758	86,571	95,424
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		16,431	18,266	18,592	18,849	21,224	21,224	21,224	27,810	31,147	34,885
Interest earned - external investments					6,226	6,226	6,226	6,226	9,475	10,611	11,885
Interest earned - outstanding debtors		22,059	18,278	26,495	27,716	16,322	16,322	16,322	18,003	20,163	22,582
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		2,982	16,685	15,327	4,012	14,117	14,117	14,117	15,811	17,708	19,833
Licences and permits		7	21	4	50	2	2	2	2	2	3
Agency services		22,676	24,835	28,456	119,452	125,362	125,362	125,362	150,434	168,486	193,759
Transfers recognised - operational		375,143	382,171	359,287	397,237	395,322	395,322	395,322	574,714	614,100	669,574
Other revenue	2	61,908	137,889	87,845	26,149	26,399	26,399	26,399	67,312	62,591	59,608
Gains on disposal of PPE		-	-	1,816	3,920	3,920	3,920	3,920	4,390	4,917	5,507
Total Revenue (excluding capital transfers and contributions)		1,333,202	1,507,635	1,537,671	1,728,151	1,746,441	1,746,441	1,746,441	2,110,344	2,324,265	2,596,883

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The municipality will receive significant portion of its revenue from service charge (electricity, water, sewerage and refuse removal services) amounting to R883 million indicating an increase of R83 million nine (9) per cent in 2015/2016 financial year and increases to R1 153 billion over the medium-term. The revenue from service charge makes up 42 percent of the operating revenue budget.

The revenue from property rates will amount to R360 million after taking into account rates rebates in terms of the rates policy amounting to R168 million in 2015/2016 financial year and increases to R426 million over the medium-term. The property rates revenue contributes about 17 per cent of the total operating revenue budget.

Operating grants allocation comprising of equitable share and other small grants contributes 27 percent to the total operating revenue budget and will amount to R575 million in 2015/2016 financial year and increases to R670 million over the medium-term.

The other revenue amounts to R293 million, indicating an increase of R86 million (29) percent. The other revenue comprise of revenue from agency fees of R150 million, interest from outstanding debtors and investments of R28 million, rental of municipal properties and facilities of R27 million and sundry income of R72 million. The other revenue contributes about 14 per cent of the total operating revenue budget.

The following table gives a breakdown of the various operating and capital grants and subsidies allocations to the municipality over the medium term:

MP322 Mbombela - Supporting Table SA18 Transfers and grant receipts

Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:										
Local Government Equitable Share		306,481	327,061	355,505	397,237	395,322	395,322	471,502	506,459	547,483
Water Services Operating Subsidy		279,162	312,298	342,190	388,663	386,748	386,748	462,073	503,877	544,750
Municipal Systems Improvement		14,650	3,009	–	–	–	–	6,899	–	–
Finance Management		1,119	800	890	1,600	1,600	1,600	930	957	1,033
Integrated National Electrification Programme		1,516	1,500	1,550	934	934	934	1,600	1,625	1,700
EPWP Incentive		3,061	–	–	–	–	–	–	–	–
Other trans/grants [2010 Host City, MIG,PTIS, DR]		4,515	2,954	1,695	6,040	6,040	6,040	–	–	–
Other trans/grants [2010 Host City, MIG,PTIS, DR]		2,458	6,500	9,180	–	–	–	–	–	–
Provincial Government:		–	1,000	–	–	–	–	–	–	–
Housing		–	1,000	–	–	–	–	–	–	–
Other trans/grants [2010 Host City, MIG,PTIS, DR]		–	–	–	–	–	–	–	–	–
Other trans/grants [2010 Host City, MIG,PTIS, DR]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[Insert description]		–	–	–	–	–	–	–	–	–
[Insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[Insert description]		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	306,481	328,061	355,505	397,237	395,322	395,322	471,502	506,459	547,483
<u>Capital Transfers and Grants</u>										
National Government:		200,031	329,765	381,766	511,234	398,338	398,338	509,804	532,379	575,762
Municipal Infrastructure Grant (MIG)		155,031	188,062	241,164	286,043	182,347	182,347	298,264	310,919	329,889
Public Transport and Systems		45,000	98,703	123,762	195,191	189,306	189,306	116,540	122,088	132,498
Neighbourhood Development Partnership		–	–	–	5,000	5,000	5,000	20,000	30,000	35,000
Regional Bulk Infrastructure		–	6,500	9,180	15,000	15,000	15,000	–	–	–
WSIG, WSOSG & INEP EDSM & Disaster		–	36,500	7,660	10,000	6,686	6,686	75,000	69,372	78,375
Provincial Government:		–	0	0	–	–	–	–	–	–
Other capital transfers/grants [insert description]		–	0	0	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[Insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		18	16	1	–	–	–	–	–	–
[National Lottery]		18	16	1	–	–	–	–	–	–
Total Capital Transfers and Grants	5	200,049	329,781	381,767	511,234	398,338	398,338	509,804	532,379	575,762
TOTAL RECEIPTS OF TRANSFERS & GRANTS		506,530	657,842	737,272	908,471	793,660	793,660	981,306	1,038,838	1,123,245

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, wage agreements with unions (Labour), input costs of services provided by the municipality, local economic conditions and the affordability of services taking into consideration the municipality's indigent policy were taken into consideration.

The percentage increases of both Eskom and SembCorp (Silulumanzi) Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

MP322 Mbombela - Supporting Table SA14 Household bills

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent											
<u>Monthly Account for Household - 'Middle Income Range'</u>	1										
Rates and services charges:											
Property rates		407.05	268.77	286.29	286.29	286.29	286.29	6.0%	303.47	321.68	340.98
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		930.00	1,043.50	1,114.87	1,218.85	1,218.85	1,218.85	12.2%	1,367.55	1,534.39	1,721.59
Water: Basic levy		51.50	56.55	61.07	66.26	66.26	66.26	38.0%	91.44	125.27	169.12
Water: Consumption		240.00	263.52	284.64	308.83	308.83	308.83	38.0%	426.19	583.88	788.24
Sanitation		219.60	241.20	260.40	282.53	282.53	282.53	(18.0%)	231.68	189.98	155.78
Refuse removal		107.00	117.97	128.19	141.01	141.01	141.01	8.0%	152.29	165.15	179.80
Other		-	-	-	-	-	-	-	-	-	-
sub-total		1,955.15	1,991.51	2,135.46	2,303.78	2,303.78	2,303.78	11.7%	2,572.62	2,920.34	3,355.50
VAT on Services		-	-	-	-	-	-	-	-	-	-
<u>Total large household bill:</u>		1,955.15	1,991.51	2,135.46	2,303.78	2,303.78	2,303.78	11.7%	2,572.62	2,920.34	3,355.50
% increase/-decrease			1.9%	7.2%	7.9%	-	-		11.7%	13.5%	14.9%
<u>Monthly Account for Household - 'Affordable Range'</u>	2										
Rates and services charges:											
Property rates		290.75	182.07	193.94	193.94	193.94	193.94	6.0%	205.58	234.85	268.29
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		385.00	444.50	473.86	526.17	526.17	526.17	12.2%	590.36	662.39	743.20
Water: Basic levy		51.50	56.55	61.07	66.26	66.26	66.26	15.0%	76.20	87.63	100.77
Water: Consumption		190.00	208.62	225.34	244.49	244.49	244.49	15.0%	281.17	323.34	371.84
Sanitation		173.85	190.95	206.15	223.67	223.67	223.67	(18.0%)	183.41	150.40	123.33
Refuse removal		107.00	78.39	85.84	94.42	94.42	94.42	8.0%	101.98	110.59	120.40
Other		-	-	-	-	-	-	-	-	-	-
sub-total		1,198.10	1,161.08	1,246.20	1,348.96	1,348.96	1,348.96	6.7%	1,438.70	1,569.19	1,727.83
VAT on Services		-	-	-	-	-	-	-	-	-	-
<u>Total small household bill:</u>		1,198.10	1,161.08	1,246.20	1,348.96	1,348.96	1,348.96	6.7%	1,438.70	1,569.19	1,727.83
% increase/-decrease			(3.1%)	7.3%	8.2%	-	-		6.7%	9.1%	10.1%
<u>Monthly Account for Household - 'Indigent'</u>	3										
<u>Household receiving free basic services</u>											
Rates and services charges:											
Property rates		174.45	95.37	101.59	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		31.50	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		140.00	-	-	-	-	-	-	-	-	-
Sanitation		128.10	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		474.05	95.37	101.59	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
<u>Total small household bill:</u>		474.05	95.37	101.59	-	-	-	-	-	-	-
% increase/-decrease			(79.9%)	6.5%	(100.0%)	-	-		-	-	-

1.5 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2015/16 budget and MTREF is informed by the following:

Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserved to fund any deficit;

- (a) Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- (b) The capital programme is aligned to the IDP priorities;
- (c) Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- (d) Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2015/2016 budget and MTREF (classified per main type of operating expenditure):

Description	Ref	2011/12		2012/13		2013/14		Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Expenditure By Type														
Employee related costs	2	389,231		418,218		459,897	483,443	492,574	492,574	492,574	540,969	618,270	703,797	
Remuneration of councillors			19,302		20,925		25,892	27,724	27,724	27,724	27,724	29,411	31,176	33,046
Debt impairment	3	49,013		81,140		48,539	101,209	91,225	91,225	91,225	73,557	70,837	68,552	
Depreciation & asset impairment	2	291,288		240,802		217,955	234,411	211,098	211,098	211,098	191,056	197,235	203,613	
Finance charges			42,703		46,639		52,684	51,682	52,563	52,563	52,563	54,340	52,233	50,195
Bulk purchases	2	369,832		419,565		437,831	446,195	446,682	446,682	446,682	524,375	594,654	679,333	
Other materials	8						43,035	45,872	45,872	45,872	45,872	50,161	53,733	57,559
Contracted services			168,686		206,545		244,594	218,204	290,556	290,556	290,556	338,764	354,090	365,667
Transfers and grants			-		25,874		23,707	138,363	148,697	148,697	148,697	120,039	119,515	133,516
Other expenditure	4, 5	340,231		334,844		336,602	174,187	166,501	166,501	166,501	211,467	228,754	244,977	
Loss on disposal of PPE		2,497		1,001		-	-	-	-	-	-	-	-	
Total Expenditure							1,918,454	1,973,492	1,973,492	1,973,492	1,973,492	2,134,140	2,320,497	2,540,254

- (a) The employees' remuneration cost will amount to R541 million in 2015/2016 financial year due to an annual increase of R29 million (6%) and R20 million for filling of critical vacant positions. The employee cost to the total operating expenditure budget is 27 per cent. The employees remuneration cost will increase to R618 million in 2017/2018 financial year and the expenditure to the total operating budget will be 29 per cent.
- (b) The bulk purchase expenditure is mainly expenditure for bulk electricity purchase from Eskom and will increase to R524 million due to an average increase of 14.24 per cent granted to Eskom by the National Energy Regulator of South Africa, the increase will come into effect from 01 July 2015. The bulk purchase expenditure make up 25 per cent of the total operating expenditure budget.

(c) The depreciation cost will be R191 million make up 9 per cent of the total operating expenditure and is about 3 per cent of the total assets carrying value of R5 837 billion. The depreciation costs represent the rate at which the assets of the municipality are utilized in rendering services and therefore the cost should be provided for/included on the budget to ensure the current ratepayers and users of the municipal services are able to contribute towards the refurbishment, upgrade and renewal of the assets.

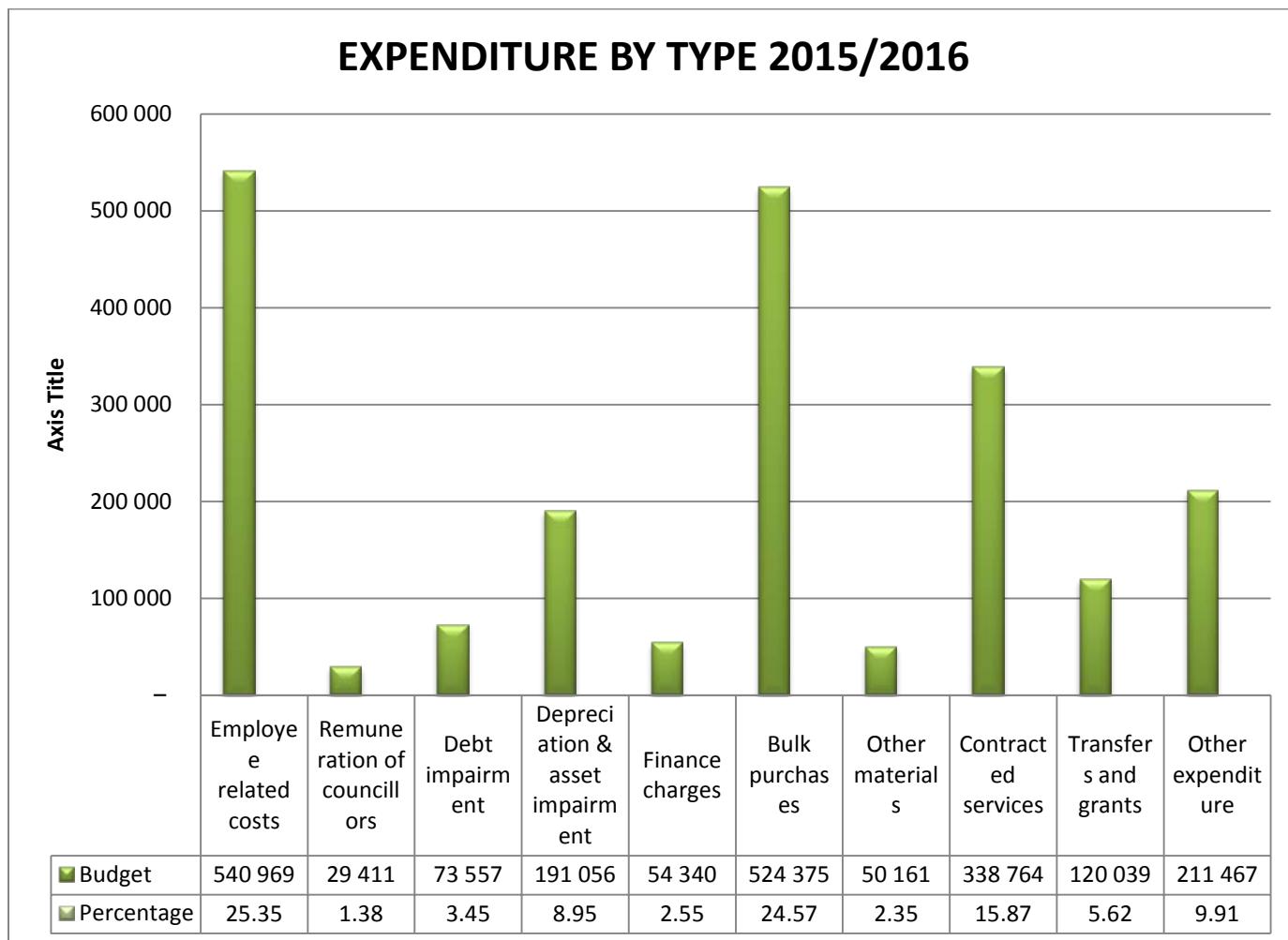
(d) The contracted and other expenditure increases by 11 per cent to R670 million in 2015/2016 and make up 31 per cent of the total operating expenditure budget. The increase on the contracted and other expenditure is due to the allocation of R196 million in 2015/2016 for operating programmes and projects that are in line with the municipal development priorities. The breakdown of the total expenditure for operating programmes and projects per municipal development priorities is as tabulated below, detailed list of operating projects is attached as **Annexure 255/15**;

DEPARTMENT	MUNICIPAL PRIORITY	Sum of 2015/2016 BUDGET ESTIMATE	Sum of 2016/2017 BUDGET FORECAST	Sum of 2017/2018 BUDGET FORECAST
Chief Operating Officer	Good Governance and Institutional Development	R 13,102,775	R 6,917,155	R 6,972,895
Chief Operating Officer Total		R 13,102,775	R 6,917,155	R 6,972,895
Community Services	Community Development	R 1,710,000	R 1,635,000	R 1,722,500
	Community Development	R 8,170,000	R 9,545,500	R 11,724,563
	Revenue Enhancement	R 300,000	R -	R 750,000
	Waste and Environmental Management	R 2,773,026	R 2,515,614	R 14,197,063
Community Services Total		R 12,953,026	R 13,696,114	R 14,197,063
Corporate Services	Good governance	R 14,340,000	R 16,040,000	R 16,110,000
Corporate Services Total		R 14,340,000	R 16,040,000	R 16,110,000
Council	Good Governance and Institutional Development	R 9,004,020	R 9,675,291	R 10,285,017
Council Total		R 9,004,020	R 9,675,291	R 10,285,017
Finance	Financial Management	R 15,274,580	R 16,144,416	R 12,266,939
	Revenue Enhancement	R 5,228,043	R 5,570,000	R 6,476,000
	Revenue Management	R 2,800,000	R 3,069,000	R 3,275,000
Finance Total		R 23,302,623	R 24,783,416	R 22,017,939
Infrastructure Development	Electricity Supply Management	R 5,305,320	R 5,563,613	R 4,522,240
	Good Governance and Institutional Development	R 13,081,754	R 13,636,798	R 14,468,816
	Public Transport	R 25,222,807	R 26,094,737	R 34,131,579
	Revenue Enhancement	R 6,411,547	R 6,748,771	R 7,099,108
	Roads and Stormwater	R 15,079,062	R 16,920,618	R 19,013,190
Infrastructure Development Total		R 65,100,490	R 68,964,537	R 79,234,932
LED, Urban, Rural and Human Settlements	Economic Development	R 21,475,000	R 22,367,950	R 24,736,803
	Integrated human settlements	R 7,984,950	R 8,488,536	R 9,086,580
	Rural Development	R 1,279,289	R 1,343,253	R 991,956
LED, Urban, Rural and Human Settlement Total		R 30,739,239	R 32,199,739	R 34,815,339
Municipal Manager	Good Governance and Institutional Development	R 6,639,232	R 6,988,420	R 7,451,208
Municipal Manager Total		R 6,639,232	R 6,988,420	R 7,451,208
Planning	Good Governance and Institutional Development	R 7,040,000	R 7,888,400	R 8,651,704
Planning Total		R 7,040,000	R 7,888,400	R 8,651,704
Water and Sanitation	Revenue Enhancement	R 6,411,547	R 6,748,771	R 7,099,108
	Sanitation	R 3,108,938	R 3,314,534	R 4,028,124
	Water Supply	R 1,507,408	R 1,957,663	R 2,215,706
	Water Supply & Sanitation	R 3,100,000	R 2,850,000	R 2,300,000
Water and Sanitation Total		R 14,127,893	R 14,870,968	R 15,642,938
Grand Total		R 196,349,298	R 202,024,040	R 215,379,035

(e) The municipality has allocated an amount of R143 million in the 2015/2016 financial year for provision of free basic services. The following free basic services will be provided in accordance with the criteria set on the indigent policy of the municipality and the table indicates the detailed breakdown of the free basic services.

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:	2	126,051	131,344	133,971	153,872	153,872	153,872	161,566	169,644	173,037
Piped water inside dwelling	4									
Piped water inside yard (but not in dwelling)										
Using public tap (at least min. service level)										
Other water supply (at least min. service level)										
Minimum Service Level and Above sub-total	3	126,051	131,344	133,971	153,872	153,872	153,872	161,566	169,644	173,037
Using public tap (< min. service level)										
Other water supply (< min. service level)										
No water supply	4	35,752	31,710	28,715	26,207	26,207	26,207	27,517	28,343	29,193
Below Minimum Service Level sub-total		35,752	31,710	28,715	26,207	26,207	26,207	27,517	28,343	29,193
Total number of households	5	161,803	163,054	162,686	180,079	180,079	180,079	189,083	197,987	202,230
Sanitation/sewage:										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (v entilated)										
Other toilet provisions (> min. service level)										
Minimum Service Level and Above sub-total										
Bucket toilet										
Other toilet provisions (< min. service level)										
No toilet provisions										
Below Minimum Service Level sub-total										
Total number of households	5	165,322	168,810	166,070	169,524	169,524	169,524	178,000	182,772	185,849
Energy:										
Electricity (at least min. service level)										
Electricity - prepaid (min. service level)										
Minimum Service Level and Above sub-total										
Electricity (< min. service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
Below Minimum Service Level sub-total										
Total number of households	5	15,180	14,457	15,180	12,517	12,517	12,517	12,767	13,023	13,283
Refuse:										
Removed at least once a week										
Minimum Service Level and Above sub-total										
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
Below Minimum Service Level sub-total										
Total number of households	5	21,599	37,439	38,188	41,276	41,276	41,276	42,102	42,102	42,102
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		5,625	10,215	10,419	161,773	161,773	161,773	161,773	161,773	161,773
Sanitation (free minimum level service)		5,625	10,215	10,419	161,773	161,773	161,773	161,773	161,773	161,773
Electricity/other energy (50kwh per household per month)		5,625	10,215	10,419	13,446	13,446	13,446	14,158	14,441	14,874
Refuse (removed at least once a week)		1,219	2,207	2,251	13,446	13,446	13,446	14,158	14,441	14,874
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		21,778	39,323	40,109	72,790	72,790	72,790	74,974	77,223	79,540
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)		4,500	9,271	9,457	34,819	34,819	34,819	35,863	36,939	38,047
Refuse (removed once a week)		1,535	2,170	2,213	30,754	30,754	30,754	31,677	32,627	33,606
Total cost of FBS provided (minimum social package)		27,813	50,764	51,779	138,363	138,363	138,363	142,514	146,789	151,193
Highest level of free service provided										
Property rates (R value threshold)		80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		—	—	—	—	—	—	—	—	—
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		3,019	4,981	5,080	5,304	5,304	5,304	5,570	5,848	6,141
Property rates (other exemptions, reductions and rebates)		77,651	108,690	110,864	121,433	121,433	121,433	162,878	172,707	183,128
Water		32,198	39,323	40,109	149,883	149,883	149,883	157,377	165,246	173,509
Sanitation		581	—	—	149,883	149,883	149,883	157,377	165,246	173,509
Electricity/other energy		5,355	—	—	6,221	6,221	6,221	6,532	6,858	7,201
Refuse		1,627	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates		—	—	—	—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Total revenue cost of free services provided (total social package)		120,431	152,994	156,054	432,724	432,724	432,724	489,735	515,906	543,487

The following graph gives a breakdown of the main expenditure categories for the 2015/16 financial year as a percentage:



During the compilation of the 2015/16 MTREF, operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the Municipality's infrastructure and historic deferred maintenance. To this end, the municipality is still having a challenge in separating the portion of employee related cost for repairs and maintenance; as a result this allocation is part of the overall employee related cost for council.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17
<u>Depreciation & asset impairment</u>	291,288	240,802	217,955	234,411	211,098	211,098	191,056	197,235	203,613
<u>Repairs and Maintenance by Asset Class</u>	133,564	153,645	148,020	119,283	172,915	172,915	181,561	188,872	197,407
Infrastructure - Road transport	48,307	36,842	47,803	54,469	60,197	60,197	63,207	66,367	69,685
Infrastructure - Electricity	25,046	29,027	35,373	20,619	33,160	33,160	34,818	36,559	38,387
Infrastructure - Water	13,452	22,165	4,661	1,856	7,498	7,498	7,873	8,267	8,680
Infrastructure - Sanitation	10,767	14,528	–	1,873	6,399	6,399	6,719	7,055	7,408
Infrastructure - Other	10,831	15,417	1,299	641	3,893	3,893	4,087	4,292	5,364
Infrastructure	108,404	117,981	89,135	79,458	111,147	111,147	116,704	122,539	129,525
Community	15,773	28,076	8,703	7,405	14,600	14,600	15,330	16,097	16,901
Other assets	9,387	7,588	50,182	32,420	47,168	47,168	49,526	50,236	50,981
TOTAL EXPENDITURE OTHER ITEMS	424,852	394,447	365,974	353,694	384,013	384,013	372,617	386,107	401,020

For the 2015/2016 financial year, 31 percent or (R117 million) of total repairs and maintenance by asset class will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totaling 17 percent (R63 million), followed by other assets totaling 13 percent (R50 million), Electricity at 9.3 percent (R35 million), Community at 4 percent (R15 million).

Below is the graphic illustration on repairs and maintenance by asset class;



Free basic services: basic social services package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 14 158 or more indigent households during the 2015/16 financial year, a process reviewed annually. Details relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement are contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

Table A10 below reflects the cost of the social package and the revenue foregone due to the implementation of the indigent policy:

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		126,051	131,344	133,971	153,872	153,872	153,872	161,566	169,644	173,037
Piped water inside yard (but not in dwelling)	2									
Using public tap (at least min. service level)	4									
Other water supply (at least min. service level)		126,051	131,344	133,971	153,872	153,872	153,872	161,566	169,644	173,037
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min. service level)	3									
Other water supply (< min. service level)	4									
No water supply		35,752	31,710	28,715	26,207	26,207	26,207	27,517	28,343	29,193
<i>Below Minimum Service Level sub-total</i>		35,752	31,710	28,715	26,207	26,207	26,207	27,517	28,343	29,193
Total number of households	5	161,803	163,054	162,686	180,079	180,079	180,079	189,083	197,987	202,230
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		97,473	102,031	104,072	110,035	110,035	110,035	115,536	119,003	121,383
Flush toilet (with septic tank)				—				—		
Chemical toilet				—				—		
Pit toilet (ventilated)		3,140	4,370	4,457	5,455	5,455	5,455	5,727	5,899	6,017
Other toilet provisions (> min. service level)				—				—		
<i>Minimum Service Level and Above sub-total</i>		100,613	106,401	108,529	115,490	115,490	115,490	121,264	124,902	127,400
Bucket toilet					—	—	—			
Other toilet provisions (< min. service level)		64,709	62,409	57,541	54,034	54,034	54,034	56,736	57,870	58,449
No toilet provisions		64,709	62,409	57,541	54,034	54,034	54,034	56,736	57,870	58,449
<i>Below Minimum Service Level sub-total</i>		165,322	168,810	166,070	169,524	169,524	169,524	178,000	182,772	185,849
Energy:										
Electricity (at least min. service level)		147,259	148,061	151,022	158,317	158,317	158,317	161,483	164,713	168,007
Electricity - prepaid (min. service level)										
<i>Minimum Service Level and Above sub-total</i>		147,259	148,061	151,022	158,317	158,317	158,317	161,483	164,713	168,007
Electricity (< min. service level)		15,180	14,457	15,180	12,517	12,517	12,517	12,767	13,023	13,283
Electricity - prepaid (< min. service level)										
Other energy sources		15,180	14,457	15,180	12,517	12,517	12,517	12,767	13,023	13,283
<i>Below Minimum Service Level sub-total</i>		162,439	162,518	166,202	170,834	170,834	170,834	174,251	177,736	181,290
Refuse:										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>		—	—	—	—	—	—	—	—	—
Removed less frequently than once a week		9,744	15,281	15,587	16,847	16,847	16,847	17,184	17,184	17,184
Using communal refuse dump		2,121	7,416	7,564	8,176	8,176	8,176	8,340	8,340	8,340
Using own refuse dump		5,234	6,804	6,940	7,501	7,501	7,501	7,651	7,651	7,651
Other rubbish disposal		—	—	—	—	—	—	—	—	—
No rubbish disposal		4,500	7,938	8,097	8,752	8,752	8,752	8,927	8,927	8,927
<i>Below Minimum Service Level sub-total</i>		21,599	37,439	38,188	41,276	41,276	41,276	42,102	42,102	42,102
Total number of households	5	21,599	37,439	38,188	41,276	41,276	41,276	42,102	42,102	42,102
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		5,625	10,215	10,419	161,773	161,773	161,773	161,773	161,773	161,773
Sanitation (free minimum level service)		5,625	10,215	10,419	161,773	161,773	161,773	161,773	161,773	161,773
Electricity/other energy (50kwh per household per month)		5,625	10,215	10,419	13,446	13,446	13,446	14,158	14,441	14,874
Refuse (removed at least once a week)		1,219	2,207	2,251	13,446	13,446	13,446	14,158	14,441	14,874
Cost of Free Basic Services provided (R'000)	8	—	—	—	—	—	—	—	—	—
Water (6 kilolitres per household per month)		21,778	39,323	40,109	72,790	72,790	72,790	74,974	77,223	79,540
Sanitation (free sanitation service)		—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)		4,500	9,271	9,457	34,819	34,819	34,819	35,863	36,939	38,047
Refuse (removed once a week)		1,535	2,170	2,213	30,754	30,754	30,754	31,677	32,627	33,606
Total cost of FBS provided (minimum social package)		27,813	50,764	51,779	138,363	138,363	138,363	142,514	146,789	151,193
Highest level of free service provided										
Property rates (R value threshold)		80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	6	6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	—	—	—	—	—	—	—	—	—	—
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		3,019	4,981	5,080	5,304	5,304	5,304	5,570	5,848	6,141
Property rates (other exemptions, reductions and rebates)		77,651	108,690	110,864	121,433	121,433	121,433	162,878	172,707	183,128
Water		32,198	39,323	40,109	149,883	149,883	149,883	157,377	165,246	173,509
Sanitation		581	—	—	149,883	149,883	149,883	157,377	165,246	173,509
Electricity/other energy		5,355	—	—	6,221	6,221	6,221	6,532	6,858	7,201
Refuse		1,627	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates		—	—	—	—	—	—	—	—	—
Housing - top structure subsidies	6	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Total revenue cost of free services provided (total social package)		120,431	152,994	156,054	432,724	432,724	432,724	489,735	515,906	543,487

1.6 CAPITAL EXPENDITURE

The table below depicts a summary of the allocations per municipal priority on the capital expenditure budget.

MUNICIPAL PRIORITY	2014/2015 ORIGINAL BUDGET	2015/2016 BUDGET ESTIMATE	2016/2017 BUDGET FORECAST	2017/2018 BUDGET FORECAST	TOTAL BUDGET	% ALLOCATION	% INCREASE 2014/15 TO 2015/2016
Water Supply	R 161,423,529	R 208,276,984	R 232,789,301	R 295,900,908	R 736,967,193	43%	29%
Roads and Stormwater	R 61,621,266	R 95,836,333	R 75,890,000	R 71,580,000	R 243,306,333	14%	56%
Public Transport	R 155,936,905	R 77,005,263	R 81,000,000	R 82,094,737	R 240,100,000	14%	-51%
Economic Development	R 3,937,193	R 21,670,061	R 35,111,827	R 47,801,708	R 104,583,596	6%	450%
Community Development	R 38,572,133	R 38,843,477	R 32,889,288	R 17,305,303	R 89,038,067	5%	1%
Electricity supply management	R 17,749,240	R 28,738,822	R 21,004,396	R 29,107,390	R 78,850,608	5%	62%
Sanitation	R 42,224,679	R 34,223,056	R 29,323,990	R 6,234,202	R 69,781,248	4%	-19%
Good governance and institutional development	R 14,470,000	R 17,928,182	R 18,395,607	R 22,655,655	R 58,979,444	3%	24%
Waste and Environmental Management	R 9,500,000	R 9,755,352	R 16,299,621	R 26,963,924	R 53,018,897	3%	3%
Financial Management	R 5,700,000	R 6,339,301	R 9,318,115	R 13,922,863	R 29,580,279	2%	11%
Revenue enhancement	R 4,764,912	R 3,684,134	R 3,894,718	R 6,236,606	R 13,815,458	1%	-23%
2010 Legacy	R 1,212,000	R 1,542,067	R 2,217,359	R 3,255,303	R 7,014,729	0%	27%
Rural Development	R 400,000	R 2,000,000	R 1,917,184	R 2,814,617	R 6,731,801	0%	400%
Integrated Human Settlements	R 5,005,471	R 470,000	R -	R -	R 470,000	0%	-91%
Grand Total	R 522,517,328	R 544,770,965	R 557,834,047	R 622,617,913	R 1,732,237,654	100%	4%

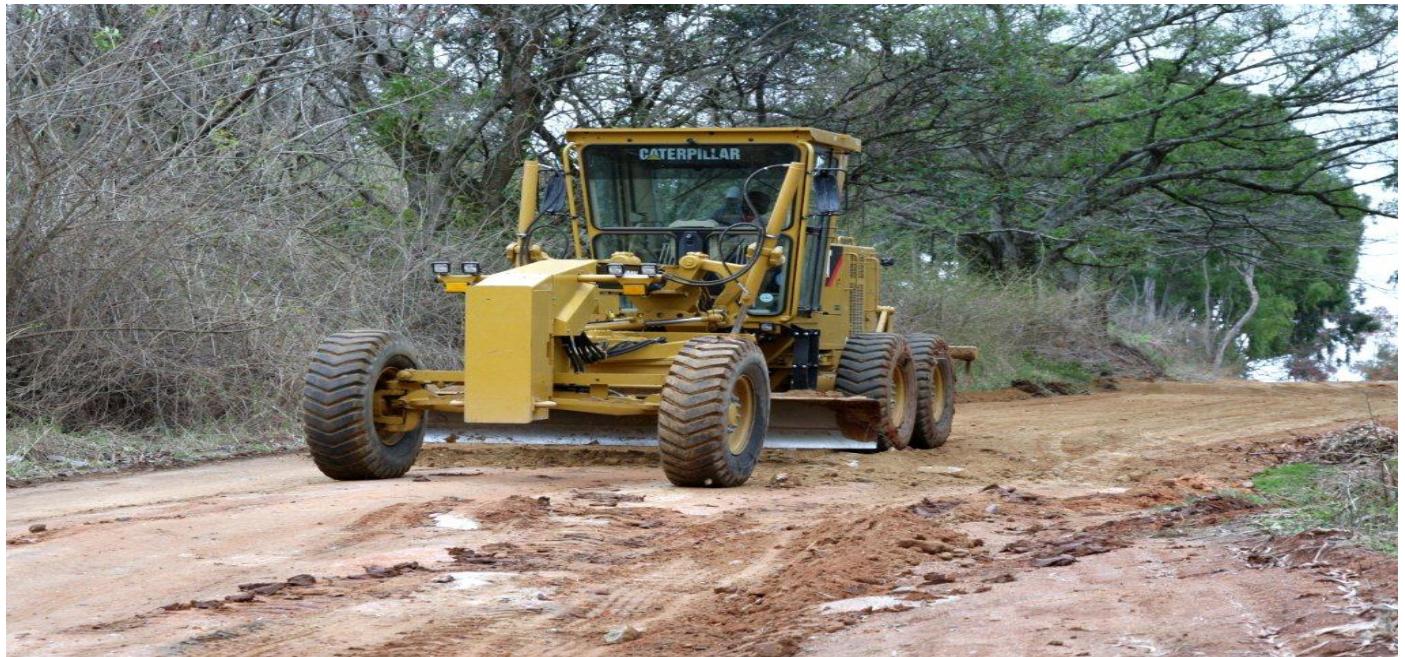
The municipality will be spending in the next three years R1 369 million (79 percent) of the total capital expenditure budget) on services infrastructure development to address backlogs with regards to water provision, roads and storm water management, sanitation, community facilities and electricity supply and management.

- Bulk water and reticulation infrastructure allocation will be R435 million over the medium-term and allocation for 2015/2016 is R145 million. The construction work on the bulk water schemes namely; Karino and Nyongane water schemes will be continued to ensure that our people are provided with drinkable water in the near future.
- Roads and storm water management infrastructure allocation will be R243 million over the medium-term and allocation for 2015/2016 is R96 million. Pedestrian bridges amounting to R80 million will be constructed over the medium and access roads to Stanford and Somcuba amounting to R10 million and R14 million will be constructed in 2015/2016.
- Electricity supply and management infrastructure allocation will be R79 million over the medium-term and allocation for 2015/2016 is R29 million. The Valencia Park substation will be upgraded at a cost of R15 million in 2015/2016 and 500 households in Phumlani Village will be electrified in 2015/2016.
- Sanitation and sewerage infrastructure allocation will be R69 million over the medium-term and allocation for 2015/2016 is R34 million. The Matsulu Waste Water Treatment Works Plant will be upgraded at a cost of R29 million over the medium-term.
- The allocation for public transport infrastructure over the medium term will amount to R240 million and allocation for 2015/2016 is R77 million. The Mbombela City CBD internal streets will be upgraded

at a cost of R40 million over the medium term and a public transport facility will be constructed at Swalala village at a cost of R14 million over the medium term.

Highlights on some of the projects the municipality will undertake per service

- (a) Repairs and maintenance of roads infrastructure.



(b) Water works project





DRAFT

Furthermore a detailed breakdown of the capital budget per project over the medium-term – Referred as Annexure 256/15 on the council resolutions.

2015/2016 DRAFT CAPITAL BUDGET AND MTREF										
DEPARTMENT	MUNICIPAL PRIORITY	PROJECT DESCRIPTION	SOURCE OF FUNDING	LOCATION	WARD	2014/2015 ADJUSTMENTS BUDGET	2015/2016 BUDGET ESTIMATE	2016/2017 BUDGET FORECAST	2017/2018 BUDGET FORECAST	
Infrastructure Development	Community Development	Construction of Phola Community hall	MG	Phola	5	R 4,000,028	R 3,947,403	R -	R -	
Infrastructure Development	Community Development	Construction of Blandschoek community hall	MG	Blandschoek	12		R 5,921,105	R -	R -	
Infrastructure Development	Community Development	Construction of Nkomeni Ermelo community hall	MG	Nkomeni Ermelo	11		R 3,550,000	R -	R -	
Infrastructure Development	Community Development	Construction of Phambeni community hall	MG	Phambeni	34	R 1,600,302	R 5,432,902	R -	R -	
Infrastructure Development	Community Development	Construction of multi purpose courts and upgrading of stadium	MG	Matsulu Msogwaba	11, 12, 2, 4, 36, 37, 13,		R 5,000,000	R 17,446,929		
Community Services	Community Development	Purchase of 18 Seater Bus for Transport of Employees	Internal Funding	Institutional	Institutional		R 800,000	R 750,000	R -	
Community Services	Community Development	Upgrading of existing courts and change rooms	Internal Funding	Nelsville, Valencia	14, 17, 28, 38	R 500,000	R 500,000	R 1,500,000	R 1,500,000	
Community Services	Community Development	Swimming pool Equipment	Internal Funding	Institutional	Institutional	R 300,000	R 250,000	R 500,000	R 500,000	
Community Services	Community Development	Purchase of Computer P O S system for the swimming pools	Internal Funding	Institutional	Institutional	R 150,000	R 300,000	R 200,000	R 300,000	
Community Services	Community Development	Purchasing of Vehicles for Sports Section	Internal Funding	Institutional	Institutional		R 500,000	R -	R -	
Community Services	Community Development	Purchasing of Brushcutters and Ride-on lawn mowers for Sports section	Internal Funding	Institutional	Institutional		R 500,000	R 500,000	R 1,000,000	
Community Services	Community Development	Erection of Fencing of Kanyamazane and Kabokweni stadiums	Internal Funding	kabokweni and kanyamazane	21, 33		R 500,000	R 300,000		
Community Services	Community Development	Upgrade of Mbombela civic theatre	Internal Funding	Institutional	Institutional	R 250,000	R 150,000	R -	R -	
Community Services	Community	Upgrade of Mbombela Stadium	Internal Funding	Institutional	Institutional		R 1,542,067	R 2,217,359	R 3,255,303	
Community Services	Community development	Purchase of New Motorcycles (16) (Traffic Services)	Internal Funding	Institutional	Institutional		R 800,000	R 800,000	R -	
Community Services	Community development	Purchase of Road Marking Machine	Internal Funding	Institutional	Institutional		R 500,000	R 625,000	R 1,200,000	
Community Services	Community	Purchase of Uninterrupted Power Supply	Internal	Institutional	Institutional		R 300,000	R 600,000	R 800,000	
Community Services	Community development	Purchase of Traffic Controllers x 5	Internal Funding	Institutional	Institutional	R 300,000	R 300,000	R 600,000	R 800,000	
Community Services	Community	Purchase of Traffic Services Motor	Internal	Institutional	Institutional		R 1,500,000	R 1,000,000	R 2,400,000	
Community Services	Community development	Purchase of 15 collapsible structures	Internal Funding	Institutional	Institutional		R 500,000	R 900,000	R -	
Community Services	Community development	Purchase of 15 Guard houses	Internal Funding	Institutional	Institutional	R 200,000	R 500,000	R -	R -	
Community Services	Community development	Purchasing of Mbombela Fire station Backup generator	Internal Funding	Institutional	Institutional		R 500,000	R -	R -	
Community Services	Community development	Upgrading of Mbombela Fire station	Internal Funding	Institutional	Institutional	R 518,000	R 800,000	R 150,000	R -	
Community Services	Community development	Outsource Motor Vehicle Record System	Internal Funding	Institutional	Institutional	R -	R 500,000	R 500,000	R 500,000	
Council	Community development	Purchase of Furniture Nine Traditional Council Offices	Internal Funding	Institutional	Institutional		R 500,000	R -	R -	
Community Services	Community development	Backup Generator for Mbombela Testing Station	Internal Funding	Institutional	Institutional		R 500,000	R -	R -	
Community Services	Community development	K- 53 Test Track for Motorcycle - White river	Internal Funding	Institutional	Institutional		R 500,000	R -	R -	
Community Services	Community development	Upgrade of Licensing Security	Internal Funding	Institutional	Institutional		R 500,000	R 500,000	R 750,000	
Community Services	Community development	Construction of Traffic Technical Services paint store and staff kitchen	Internal Funding	Mbombeba	Institutional		R 700,000	R 1,000,000	R 1,000,000	
Community Services	Community development	Purchase of Prolazer ■ Speed Measuring Machine	Internal Funding	Institutional	Institutional		R 500,000	R 1,800,000	R 2,200,000	
Community Services	Community development	Establishment and upgrading of Parks including purchase of play equipment	Internal Funding	Institutional	Institutional		R 300,000	R 500,000	R 550,000	
Community Services	Community development	Development of Nkambeni Cemetery	Internal Funding	Nkambeni	25	R 500,000	R 500,000	R 500,000	R 550,000	
LED, URM AND Human Settlements	Economic Development	Construction of Job Linkage Scheme	Internal Funding	Msogwaba	26	R 5,021,022	R 3,400,000	R 8,000,000	R 15,000,000	
LED, URM AND Human Settlements	Economic Development	Purchase of Aerial Photograph	Internal Funding				R 600,000			

2015/2016 DRAFT CAPITAL BUDGET AND MTREF										
DEPARTMENT	MUNICIPAL PRIORITY	PROJECT DESCRIPTION	SOURCE OF FUNDING	LOCATION	WARD	2014/2015 ADJUSTMENTS BUDGET	2015/2016 BUDGET ESTIMATE	2016/2017 BUDGET FORECAST	2017/2018 BUDGET FORECAST	
LED, URM AND Human Settlements	Economic Development	UNS-Upgrade of Kanyamazane-Msogwaba-Luphisi link network (Phase 1)	NDPG	Kanyamazane, Msogwaba, Luphisi	4, 10, 20, 21, 22, 23, 26, 29	R 2,437,193	R 15,243,860	R 23,785,789	R 27,918,754	
LED, URM AND Human Settlements	Economic Development	Construction of Informal Trade Stalls	Internal Funding	Kanyamazane, Matsulu, Mbombela	20,28,15,33	R 356,365	R 2,000,000	R 3,000,000	R 4,382,954	
LED, URM AND Human Settlements	Economic Development	Provision of Barber Stalls	Internal Funding	Institutional	Institutional		R 426,201	R 326,038	R 500,000	
Infrastructure Development	Electricity supply management	Electrification of 500 HH in Phumlani	Internal Funding	Phumlani	14		R 4,200,000	R 4,000,000	R -	
Infrastructure Development	Electricity supply management	Electrification of 2890 HH	INEP	Mshokazi	14		R -	R 6,140,351	R 13,157,895	
Infrastructure Development	Electricity supply management	Upgrade of West Acres 8 and No 2 Substations	Borrowings	Mbombele	14, 15, 16, 17		R 5,280,000	R -	R -	
Infrastructure Development	Electricity supply management	Upgrade of Valencia Park Substation	Borrowings	Mbombele	14		R 15,000,000			
Infrastructure Development	Electricity supply management	New streetlights on the R37 and R40 Road	Internal Funding	Riverside (R37) and White River	14, 30		R 1,055,423	R -	R -	
Infrastructure Development	Electricity supply management	Construction of R40 barriers/streetlights protection	Internal Funding	Riverside (R40)	14		R 3,203,399	R -	R -	
Infrastructure Development	Electricity supply management	Upgrade of Town North Substation	Internal Funding	White River	30		R -	R -	R 15,949,495	
Infrastructure Development	Electricity supply management	Upgrade of Matsafeni-Hlanga Substation	Internal Funding	Matsafeni & West Acres	14, 15		R -	R 10,864,045		
Finance	Financial Management	Renovation of Mbombela and White River Municipal stores	Internal Funding	Institutional	Institutional		R 1,500,000	R 1,800,000	R 2,000,000	
Finance	Financial Management	Upgrade of Mechanical Workshop	Internal Funding	Institutional	Institutional	R 150,000	R 500,000	R 1,851,591	R 3,000,000	
Finance	Financial Management	Purchase of Mobile Fueling Tankers	Internal Funding	Institutional	Institutional		R 1,000,000			
Finance	Financial Management	Purchase of Office Furniture and Equipments	Internal Funding	Institutional	Institutional	R 1,710,771	R 1,279,314	R 2,666,524	R 4,104,314	
Finance	Financial Management	Purchase of asset tracking and scanning system	Internal Funding	Institutional	Institutional		R 700,000	R -	R 1,818,549	
Finance	Financial Management	Purchase of Standard Chart of Accounts Complaint System	Internal Funding	Institutional	Institutional		R 1,359,987	R 3,000,000	R 3,000,000	
Chief Operating Officer	Good governance and institutional	Purchase of Environmental Management Equipments	Internal Funding	Institutional	Institutional	R 259,783	R 500,000	R 350,000	R 350,000	
Municipal Manager	Good governance and institutional	Procurement of Performance Tracking ICT System	Internal Funding	Institutional	Institutional	R 4,000,000	R 4,228,182	R 5,536,426	R 7,722,917	
Council Support	Good governance and institutional	Procurement of Motor Vehicles	Internal Funding	Institutional	Institutional		R 1,600,000	R 1,700,000	R 1,800,000	
Council Support	Good governance and institutional	Purchase of Office Furniture and Equipment	Internal Funding	Institutional	Institutional		R 400,000	R 200,000	R 250,000	
Community Services	Good governance and institutional development	Ablution and Change Room Facilities	Internal Funding	Institutional	R 500,000	R 500,000	R -	R -	R -	
Corporate Services	Good governance and institutional development	Construction of Emergency escape facilities - White River Civic Centre	Internal Funding	Institutional	Institutional		R 500,000			
Corporate Services	Good governance and institutional	Purchase of Equipment for Medical examinations	Internal Funding	Institutional	Institutional	R 250,000	R 350,000	R 700,000	R 700,000	
Corporate Services	Good governance and institutional	New and upgrading of ICT Hardware	Internal Funding	Institutional	Institutional	R 3,000,000	R 3,500,000	R 2,509,180	R 4,132,738	
Corporate Services	Good governance and institutional development	New and upgrading of ICT software	Internal Funding	Institutional	Institutional	R 830,000	R 400,000	R 1,200,000	R 1,200,000	
Corporate Services	Good governance and institutional	Implementation of disaster recovery plan and business continuity systems	Internal Funding	Institutional	Institutional	R 1,500,000	R 3,000,000	R 3,500,000	R 5,000,000	
Community Services	Good governance and institutional	Upgrade of ablution facilities	Internal Funding	Institutional	Institutional		R 500,000	R -	R -	
Community Services	Good governance and institutional	Purchase of Lawnmowers and Brushcutters	Internal Funding	Institutional	Institutional	R 126,625	R 500,000	R 600,000	R 600,000	
Community Services	Good governance and institutional	Purchase of Fleet for Parks	Internal Funding	Institutional	Institutional	R 2,094,946	R 700,000	R 2,000,000	R 800,000	
Community Services	Good governance and institutional development	Purchase of Cemetery ITC System	Internal Funding	Institutional	Institutional		R 500,000	R 100,000	R 100,000	
Community Services	Good governance and institutional	Ablution and Change Room Facilities	Internal Funding	Institutional	Institutional		R 500,000	R -	R -	
LED, URM AND Human Settlements	Integrated Human Settlements	Purchase of motor vehicles (LDV)	Internal Funding	Institutional	Institutional		R 470,000	R -	R -	
Infrastructure Development	Public Transport	Construction of Kanyamazane Public Transport Facility	PTIS	Kanyamazane	19, 21	R 10,000,000	R 3,000,000	R 5,000,000	R 5,000,000	
Infrastructure Development	Public Transport	Construction of Matsulu Public Transport Facility	PTIS	Matsulu	13, 27	R 10,000,000	R 3,000,000	R 5,000,000	R 5,000,000	
Infrastructure Development	Public Transport	Construction of TUT Public Transport Facilities	PTIS	Mbombele	15, 16		R 3,000,000	R 5,000,000	R 5,000,000	
Infrastructure Development	Public Transport	Construction of Swalala Public Transport Facilities	PTIS	Swalala	6		R 4,228,070	R 5,000,000	R 5,000,000	
Infrastructure Development	Public Transport	Construction of Kabokweni Public Transport Facilities	PTIS	Kabokweni	33		R 4,000,000	R 5,000,000	R 5,000,000	

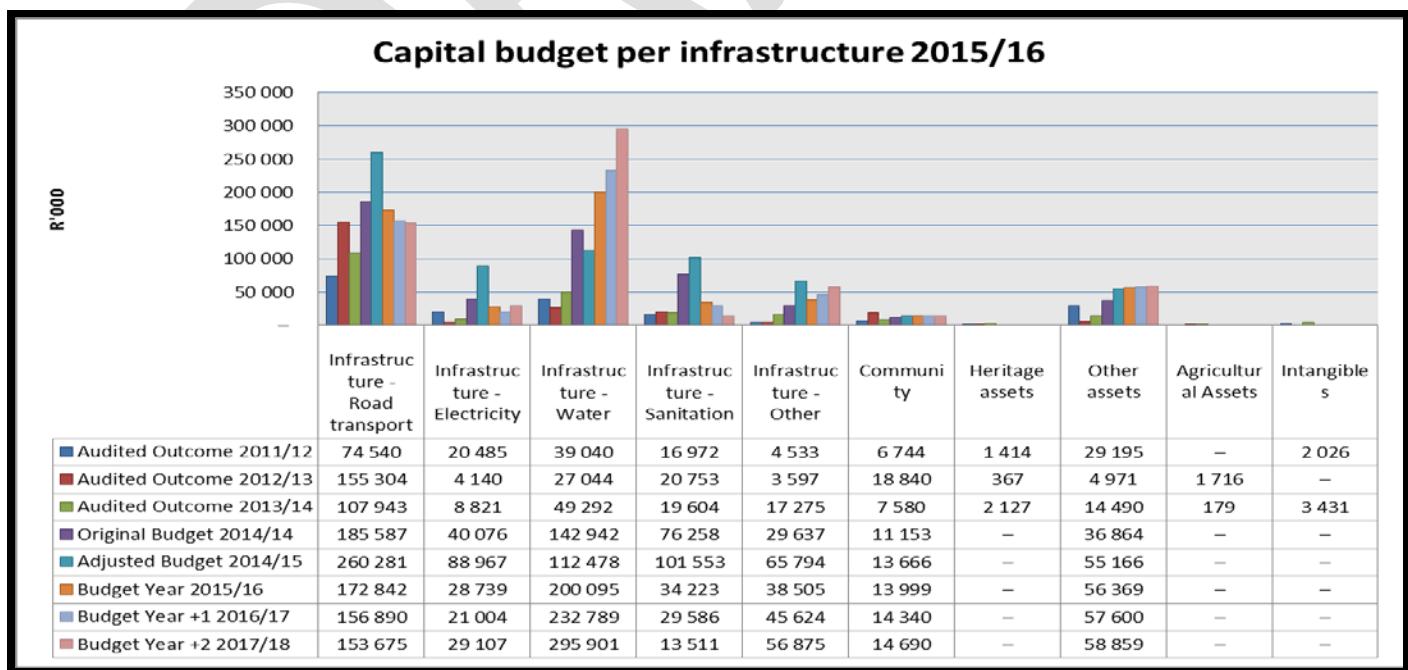
2015/2016 DRAFT CAPITAL BUDGET AND MTREF										
DEPARTMENT	MUNICIPAL PRIORITY	PROJECT DESCRIPTION	SOURCE OF FUNDING	LOCATION	WARD	2014/2015 ADJUSTMENTS BUDGET	2015/2016 BUDGET ESTIMATE	2016/2017 BUDGET FORECAST	2017/2018 BUDGET FORECAST	
Infrastructure Development	Public Transport	Upgrade of R40 Road – Central Section	PTIS	Mbombele	14, 30		R -	R 5,000,000	R 5,000,000	
Infrastructure Development	Public Transport	Upgrade of Mbombele CBD Intersection/Public Transport Priority Lanes	PTIS	Mbombele	14		R 10,000,000	R 10,000,000	R 20,000,000	
Infrastructure Development	Public Transport	Construction of Riverside Park Public Transport Station	PTIS	Riverside Park	14		R -	R 3,000,000	R 3,000,000	
Infrastructure Development	Public Transport	Construction of Bosch Street Public Transport Station	PTIS	Mbombele	15, 16		R 3,000,000	R 3,000,000	R 3,000,000	
Infrastructure Development	Public Transport	Construction of Rob Ferreira Public Transport Facility	PTIS	Mbombele	15, 16		R 3,000,000	R 3,000,000	R 3,000,000	
Infrastructure Development	Public Transport	Construction of Hazyview Public Transport Facility	PTIS	Hazyview	1		R -	R 5,000,000	R 4,094,737	
Infrastructure Development	Public Transport	Purchase of Integrated Transport System (Operating Systems)	PTIS	Institutional	Institutional		R 8,000,000	R 7,000,000	R 6,000,000	
Infrastructure Development	Public Transport	Upgrading of existing R40/Pfosten road intersection	PTIS	Rocky's Drift	14, 30		R 5,000,000	R 6,000,000	R 5,000,000	
Infrastructure Development	Public Transport	Construction of Karroo Intersection Priority Routing	PTIS	Karroo	18		R 5,000,000	R 5,000,000	R 2,000,000	
Infrastructure Development	Public Transport	Construction of Lehawu Public Transport Facility	PTIS	Lehawu	4, 26		R 5,000,000	R 5,000,000	R 2,000,000	
Infrastructure Development	Public Transport	Upgrade of R40 – HOV Rocky Drift to White River/white river to swalala	PTIS	White River	14, 30		R 2,000,000	R 2,000,000	R 2,000,000	
Infrastructure Development	Public Transport	Upgrade of R40 HOV from Nelsriver to Rockys Drift	PTIS	Mbombele	14, 15		R -	R 2,000,000	R 2,000,000	
Infrastructure Development	Public Transport	Upgrade of R40 Road to DR. Enos Mabuza and TUT	PTIS	Mbombele	15, 16	R 63,000,000	R 7,500,000	R -	R -	
Infrastructure Development	Public Transport	Construction of the Mbombele Public Transport Facilities	PTIS	Mbombele	14	R 35,000,000	R 11,277,193	R -	R -	
Finance	Revenue enhancement	Property Valuation Management System	Internal Funding	Institutional	Institutional		R 600,000	R 600,000	R 726,000	
Infrastructure Development	Revenue enhancement	AMR meters-Commercial	Internal Funding	Mbombele City; White River & Hazyview	1; 14; 15; 16; 17; 30, 38		R 3,084,134	R -	R -	
Infrastructure Development	Revenue enhancement	AMR meters-Residential	Internal Funding	Mbombele City; White River & Hazyview	1; 14; 15; 16; 17; 30, 38		R -	R 3,234,718	R 5,510,606	
Infrastructure Development	Roads and Stormwater	Upgrading of Daanje Cemetery road	MG	Daanje	2	R 34,123,383	R 15,129,659	R -	R -	
Infrastructure Development	Roads and Stormwater	Construction of paved roads & stormwater, Mkheni Road	MG	Mkheni	23	R 4,000,000	R 6,335,446	R -	R -	
Infrastructure Development	Roads and Stormwater	Construction of paved roads & stormwater, Sibuyile Clinic Road	MG	Sibuyile	24	R 4,000,000	R 3,687,587	R -	R -	
Infrastructure Development	Roads and Stormwater	Upgrading of Kanyamazane Internal Roads from gravel to Tar	MG	Kanyamazane	18, 19, 20, 21		R 9,774,476	R 6,000,000	R -	
Infrastructure Development	Roads and Stormwater	Construction of Telkwe North Ext1 Bus Route	MG	Telkwe North Ext1	26	R 3,000,181	R 5,869,076	R -	R -	
Infrastructure Development	Roads and Stormwater	Construction of paved roads and stormwater, Somcuba	MG	Somcuba	29	R 4,000,000	R 12,595,812	R -	R -	
Infrastructure Development	Roads and Stormwater	Upgrade of Mataffin Bus route	MG	Mataffin	14				R 10,000,000	
	Roads and Stormwater	Plans and Desings and Upgrade of Mgane Access Road to Tar	MG	Mgane	39		R 1,000,000	R 9,000,000		
Infrastructure Development	Roads and Stormwater	Construction of Pedestrian bridges	MG	Zwelisha, Mafambisa, Sand Ford	4, 9, 10, 22		R 20,000,000	R 21,000,000	R 30,000,000	
Infrastructure Development	Roads and Stormwater	Sand Ford Access Road	MG	Sand Ford	1		R 10,000,000	R -	R -	
Infrastructure Development	Roads and Stormwater	Upgrade of Elijah Mango Bus Route Phase 3	MG	Elijah Mango	11		R -	R 14,000,000	R -	
Infrastructure Development	Roads and Stormwater	Upgrade of TV/Nkomeni Mangozeni Busroute	MG	Nkomeni Ermelo	11		R -	R 12,000,000	R 12,000,000	
Infrastructure Development	Roads and Stormwater	Replacement of Plant and Equipment	Internal Funding	Institutional	Institutional	R 200,000	R 1,800,000	R 1,770,000	R 2,000,000	
Infrastructure Development	Roads and Stormwater	Replace of Small Equipment	Internal Funding	Institutional	Institutional		R 200,000	R 200,000	R 200,000	
Infrastructure Development	Roads and Stormwater	West Acres Storm Water Refurbishment (Phase 2): Design and	Internal Funding	West Acres	15		R 480,000	R -	R 600,000	
Infrastructure Development	Roads and Stormwater	West Acres Storm Water Refurbishment (Phase 1): Construction	Internal Funding	West Acres	15		R 1,150,000	R -	R -	
Infrastructure Development	Roads and Stormwater	Old Pretoria Rd. Relocate storm water pipe	Internal Funding	West Acres Ext 11	14		R 350,000	R -	R -	
Infrastructure Development	Roads and Stormwater	New kerbs in Piet Relief Street, Sonpark and Rob Ferreira Hospital	Internal Funding	Sonheuwel	16		R 400,000	R -	R -	
Infrastructure Development	Roads and Stormwater	Upgrade of intersection: Samora Machel Dr/Valencia Rd	Internal Funding	Valencia Park	14		R 500,000	R -	R -	

2015/2016 DRAFT CAPITAL BUDGET AND MTREF										
DEPARTMENT	MUNICIPAL PRIORITY	PROJECT DESCRIPTION	SOURCE OF FUNDING	LOCATION	WARD	2014/2015 ADJUSTMENTS BUDGET	2015/2016 BUDGET ESTIMATE	2016/2017 BUDGET FORECAST	2017/2018 BUDGET FORECAST	
Infrastructure Development	Roads and Stormwater	Conduct Torn Lawrence Street Geotechnical evaluation	Internal Funding	White River	30		R 700,000	R -	R -	
Infrastructure Development	Roads and Stormwater	Conduct Gedlebane Road Geotechnical evaluation	Internal Funding	Msogwaba	29		R 700,000	R -	R -	
Infrastructure Development	Roads and Stormwater	Kaapche Hoop Rd (Phase 1) Widening & Reconstruction	Internal Funding	West Acres	15	R 520,000	R 2,384,278	R 3,780,000	R 7,500,000	
Infrastructure Development	Roads and Stormwater	Construction of two Speedhumps per ward	Internal Funding	All Wards	1,39		R 780,000	R 780,000	R 780,000	
Infrastructure Development	Roads and Stormwater	R40 through Hazyview: Reconstruction	Internal Funding	Hazyview	1	R 578,097	R -	R 2,500,000	R 8,500,000	
Infrastructure Development	Roads and Stormwater	Msogwaba-Tekwane Rd: Construction of 2 culverts in Msogwaba (Culverts on	Internal Funding	Msogwaba	26		R -	R 3,860,000	R -	
Infrastructure Development	Roads and Stormwater	Dr Enos Mabuza Dr (Phase 1) Widening to 4 lanes (Mabuza to Ferreira)	Internal Funding	Mbombele	15,16,17		R 2,000,000	R 1,000,000	R -	
LED, URM AND Human Settlements	Rural Development	Construction of Piggy House	Internal Funding	Msogwaba, Swalala,	26, 6, 5, 8, 34, 37, 11, 14		R 1,500,000	R 1,917,184	R 2,814,617	
LED, URM AND Human Settlements	Rural Development	Purchase of motor vehicles (LDV)	Internal Funding	Institutional	Institutional		R 500,000	R -	R -	
Water and Sanitation	Sanitation	Tekwane North outfall sewer	MG	Tekwane North	26	R 5,904,422	R 4,000,000	R -	R -	
Water and Sanitation	Sanitation	Upgrading of Nelspruit / Matalfin Northern outfall sewer	MG	Matalfin	14	R 4,717,000	R 4,000,000	R -	R -	
Water and Sanitation	Sanitation	Refurbishment of Waste Water Infrastructure Civil Assets	Internal Funding	Mbombele	All wards		R 1,500,000	R 1,500,000	R 3,000,000	
Water and Sanitation	Sanitation	Refurbishment of Waste Water Infrastructure (Electrical and	Internal Funding	Mbombele	All wards		R 2,200,000	R 1,000,000		
Water and Sanitation	Sanitation	Construction of a new Kabokweni sewer pump station, outfall sewer and associated infrastructure	Internal Funding	Kabokweni	33		R 2,500,000	R 1,500,000		
Water and Sanitation	Sanitation	Construction of Hazyview ValkansieDorp Sewer Main Outfall	Internal Funding	Hazyview	1		R 200,000	R 2,500,000	R 1,700,000	
Water and Sanitation	Sanitation	SCS 1013 - Sewer Network Upgrading AC Mains	Services Contributions	Nelspruit	14, 15, 16, 17	R 246,500	R 600,000	R -	R 500,000	
Water and Sanitation	Sanitation	SCS 1402 - Sewer Network Upgrade Bulk & Reticulation	Services Contributions	Nelspruit	14, 15, 16, 17		R -	R 369,823	R 534,202	
Water and Sanitation	Sanitation	SCS 1011 - Sewer Network Upgrades Central (Somb x 8)	Services Contributions	Mbombele	16		R -	R -	R 500,000	
Water and Sanitation	Sanitation	SCS 910 - Sewer Extentions to Existing Networks Development Needs	Services Contributions	Mbombele	14, 15, 16, 17	R 350,000	R -	R 500,000	R -	
Water and Sanitation	Sanitation	SCS 908 Sewer main outfall upgrades - Sonnewel & Central (Impala Str)	Services Contributions	Mbombele	17		R 1,223,056	R 500,000	R -	
Water and Sanitation	Sanitation	Planning, design and construction of Bandoek WWTW and Water borne	MG	Elandshoek	12		R 3,000,000	R 7,000,000		
Water and Sanitation	Sanitation	Upgrade of Matsulu WTW extension	MG	Matsulu	13, 27, 28		R 15,000,000	R 14,454,167	R -	
Community Services	Waste and Environmental Management	Warehousing, Parking Space and Wash bay for solid waste management assets	Internal Funding	Mbombele White River Kabokweni Hazyview	1,16,30,33		R -	R 2,500,000	R -	
Community Services	Waste and Environmental Management	Staff Transport Bus	Internal Funding	Mbombele White River Kabokweni Hazyview	1,16,30,33		R 800,000	R 615,598	R 1,393,346	
Community Services	Waste and Environmental Management	Construction of Tekwane West Central Waste Disposal Site Cell 2	Internal Funding	Tekwane West	18		R 4,000,352	R 5,000,000	R 7,000,000	
Community Services	Waste and Environmental Management	Construction of Waste Transfer Stations	Internal Funding	White River Nsikazi Central Matsulu Hazyview	1,28,30,35		R 300,000	R 5,000,000	R 6,070,578	
Community Services	Waste and Environmental	Purchase of Waste Collection Fleet	Internal Funding	Institutional	Institutional		R 4,155,000	R 3,184,023	R 10,000,000	
Community Services	Waste and Environmental	Back up Generators for Waste Disposal Facilities	Internal Funding	Institutional	Institutional		R 500,000	R -	R -	
Community Services	Waste and Environmental	Purchase of Waste Storage Facilities	Internal Funding	Institutional	Institutional	R 2,000,000	R -	R -	R 2,500,000	
Water and Sanitation	Water Supply	Matsulu Water Supply	MG	Matsulu	13, 27, 28		R 10,376,008	R -	R -	
Water and Sanitation	Water Supply	Provision Of Nsikazi South Via Kanno	MG	Kanno	All Wards -	R 22,822,298	R 55,499,419	R 97,750,000	R 83,594,167	
Water and Sanitation	Water Supply	Construction of Elandshoek Water Supply	MG	Elandshoek	12		R 5,000,000	R -	R -	
Water and Sanitation	Water Supply	MTS - Wtw Extension With 6mld	MG	Matsulu	13, 27, 28	R 1,019,544	R 16,933,860	R -	R -	
Water and Sanitation	Water Supply	Nsikazi North water reticulation scheme	MG	Nsikazi North	1,3,5,6,7,8,9,2,34,39		R -	R 19,826,119	R 35,167,500	
Water and Sanitation	Water Supply	Nsikazi South water reticulation scheme	MG	Tekwane North	26, 32, 33		R -	R 19,826,119	R 33,000,000	

2015/2016 DRAFT CAPITAL BUDGET AND MTREF										
DEPARTMENT	MUNICIPAL PRIORITY	PROJECT DESCRIPTION	SOURCE OF FUNDING	LOCATION	WARD	2014/2015 ADJUSTMENTS BUDGET	2015/2016 BUDGET ESTIMATE	2016/2017 BUDGET FORECAST	2017/2018 BUDGET FORECAST	
Water and Sanitation	Water Supply	Upgrade of Hazyview Water Treatment Works	MG	Hazyview	1		R -	R 10,545,833	R 50,000,000	
Infrastructure Development	Water Supply	Upgrading of Hazyview Water Purification Plant	Borrowings	Hazyview	1	R 12,000,000	R 15,000,000	R -	R -	
Water and Sanitation	Water Supply	Refurbishment of Water Infrastructure Civil Assets	Internal Funding	Institutional	All wards		R 1,500,000	R 1,500,000		
Water and Sanitation	Water Supply	Refurbishment of Water Infrastructure (Electrical and Mechanical) Assets	Internal Funding	All wards	All wards		R 1,000,000	R 1,500,000	R 2,000,000	
Water and Sanitation	Water Supply	Implementation of Water Conversation & Demand Management Programme	Internal Funding	All wards	All wards	R 2,353,384	R 2,698,617	R 3,130,378	R 100,000	
Water and Sanitation	Water Supply	Upgrade of Water Pipeline Link Phola to Mshadza	Internal Funding	Phola	5		R 800,000	R -	R -	
Water and Sanitation	Water Supply	Refurbishment of Phola Water reticulation Network	Internal Funding	Phola	5		R -	R -	R 1,000,000	
Water and Sanitation	Water Supply	Construction of Jerusalem Water Package Plant, storage, pump line and	MMIG	Jerusalem	8		R 2,250,000	R 3,000,000	R 10,000,000	
Water and Sanitation	Water Supply	White River/ Sand River construction of suction pump line	Internal Funding	White River	30		R 1,348,602	R 800,000	R 1,000,000	
Water and Sanitation	Water Supply	Upgrade of Additional 1M l/hilsview Water reservoir	Internal Funding	Hilsview	38		R -	R 1,727,668	R 1,200,000	
Water and Sanitation	Water Supply	Installation of back up Generators	Internal Funding	Institutional	All wards		R 2,295,838	R 1,866,168		
Water and Sanitation	Water Supply	Refurbishment Of Kanyamazane to Pienaar Bulk Line (Valves, Damage to	WSOSG	Kanyamazane, Pienaar	2, 4, 10, 18, 19, 20, 21,		R 4,000,000	R 3,157,895	R 10,267,544	
Water and Sanitation	Water Supply	Installation of Water SCADA System	Internal Funding	Mbombele	All wards		R 600,000	R 600,000	R 2,700,000	
Water and Sanitation	Water Supply	Drilling of Boreholes and associated infrastructure	Internal Funding	Mbombele	All wards		R 600,000			
Water and Sanitation	Water Supply	Refurbishment of Package Plants (Mshadza, Majika, Mponduzweni)	WSOSG	Phola, Majika & Mponduzweni	5, 9, 25		R -	R -	R 5,000,000	
Water and Sanitation	Water Supply	Pipe Replacement Programme and Storage Capacity Refurbishment	Internal Funding	Mbombele	All wards		R 500,000	R 1,000,000	R 1,000,000	
Water and Sanitation	Water Supply	Procurement of Laboratory equipment	Internal Funding	Institutional	Institutional		R 300,000	R 300,000	R 500,000	
Water and Sanitation	Water Supply	Procurement of Plants and Equipment	Internal Funding	Institutional	Institutional		R 300,000	R 400,000	R 2,600,000	
Water and Sanitation	Water Supply	Procurement of Fleet	Internal Funding	Institutional	Institutional		R -	R 5,000,000	R 3,000,000	
Water and Sanitation	Water Supply	SCW 902 - Old Airport Pumpline & pump station	Services Contributions	CBD	14, 15, 16, 17	R 300,000	R 1,234,585	R -	R -	
Water and Sanitation	Water Supply	SCW 1201 Water Upgrades - Sonheuwel Upper Plan	Services Contributions	Sonheuwel	15		R -	R 1,800,000	R -	
Water and Sanitation	Water Supply	SCW 1101 - Water Upgrades in Mbombela Ext.	Services Contributions	Mbombele	15, 16, 17	R 700,000	R -	R -	R -	
Water and Sanitation	Water Supply	scw1401 - Water Bulk & Network upgrades	Services Contributions	Mbombele	15, 16, 17		R -	R -	R 2,301,303	
Water and Sanitation	Water Supply	SCW 909 - Water Upgrades of Saffier Ps (Beryl Zone)	Services Contributions	Stonehege	15		R -	R -	R -	
Water and Sanitation	Water Supply	SCW 1302 Water Network upgrading Central Zone - Brander Street)	Services Contributions	Mbombele CBD	15, 16, 17		R -	R 254,735	R -	
Water and Sanitation	Water Supply	MG Nsikazi- Msogwaba & Pienaar Water Network Extensions	MG	Msogwaba	22, 23, 26, 29		R -	R 3,000,000	R 10,645,833	
Water and Sanitation	Water Supply	MG Upgrade of Matsulu Bulk Water Supply and reticulation for extension 5 & 6	MG	Matsulu	27	R 12,191,827	R 8,500,000	R 1,500,000	R 6,500,000	
Water and Sanitation	Water Supply	Construction of an additional 1M/d Dwaleni Package Plant and Bulk line	MG	Dwaleni	32	R 2,485,071	R 5,000,000	R -	R -	
Water and Sanitation	Water Supply	Construction of Zwelishana B/Multi Water Supply Phase 3	MG	Zwelishana	2		R 5,500,581	R -	R -	
Water and Sanitation	Water Supply	Newscom - Upgrade Bulk and network reticulation	MG	Newscom	36		R -	R 3,750,000	R 4,000,000	
Water and Sanitation	Water Supply	Additional 1.5M reservoir for Phumlani and associated infrastructure	MG	Phumlani	14		R 4,500,000	R 2,000,000	R -	
Water and Sanitation	Water Supply	Upgrade of Phumlani pumpstation	MG	Phumlani	14		R 3,000,000	R -	R -	
Water and Sanitation	Water Supply	Construction of a Weir Nsikazi Regional Raw Water Pump Station	WSOSG	Kanyamazane	2, 4, 10, 11, 18, 19, 20,		R 1,500,000	R 7,500,000	R -	
Water and Sanitation	Water Supply	Procurement of 4 Clean Water Pumps For Nyongane	WSOSG	Nyongane	1, 3, 5, 6, 7, 8, 9, 25, 34,		R 4,000,000	R -	R -	
Water and Sanitation	Water Supply	Procurement of 5 Raw Water Pumps For Sabie River Pump Station	WSOSG	Nyongane	1, 3, 5, 6, 7, 8, 9, 25, 34, 37, 39		R 4,500,000	R -	R -	
Water and Sanitation	Water Supply	Kanyamazane mechanical/electrical refurbishment (WTW)	WSOSG	Nsikazi	2, 4, 10, 11, 18, 19, 20, 21, 22, 23,		R 3,543,860	R 2,500,000	R 3,000,000	
Water and Sanitation	Water Supply	Upgrade of Phumlani to White river bulk water line	MMIG	Phumlani	14		R 2,800,000	R 3,000,000	R -	

2015/2016 DRAFT CAPITAL BUDGET AND MTREF										
DEPARTMENT	MUNICIPAL PRIORITY	PROJECT DESCRIPTION	SOURCE OF FUNDING	LOCATION	WARD	2014/2015 ADJUSTMENTS BUDGET	2015/2016 BUDGET ESTIMATE	2016/2017 BUDGET FORECAST	2017/2018 BUDGET FORECAST	
Water and Sanitation	Water Supply	Kanyamazane Ext 6 (Mlume) water supply	MWIG	Kanyamazane (Mlume)	21		R 9,000,000	R -	R -	R -
Water and Sanitation	Water Supply	Daantjie tribal office concrete reservoir and refurbishment of the bulk line	MWIG	Daantjie	23		R 500,000	R -	R -	R -
Water and Sanitation	Water Supply	Refurbishment of Kabokweni Water Network	MWIG	Kabokweni	33		R 1,600,000	R 5,904,386	R 5,000,000	R 5,000,000
Water and Sanitation	Water Supply	Makoko 1.5 ML Package Plant	MWIG	Makoko	37		R 2,150,000	R 1,200,000	R 2,000,000	R 2,000,000
Water and Sanitation	Water Supply	Construction of Bongani 1.5 ML Package Plant	MWIG	Bongani	3		R -	R 2,150,000	R 3,000,000	R 3,000,000
Water and Sanitation	Water Supply	Majka Bulk Water Upgrade and Refurbishment	MWIG	Majka	25		R 12,200,000	R -	R -	R -
Water and Sanitation	Water Supply	Construction of new water rising main bulk supply line and 2ML reservoir and extention of reticulation in Mahushu	MWIG	Mahushu	3		R 12,350,000	R 800,000	R -	R -
Water and Sanitation	Water Supply	Refurbishment of existing reticulation in Bhekswayo	MWIG	Bhekswayo	5		R -	R 3,000,000	R -	R -
Water and Sanitation	Water Supply	Refurbishment of reticulation in Chweni and Khumbula	MWIG	Chweni, Khumbula	34		R -	R 4,500,000	R -	R -
Water and Sanitation	Water Supply	Upgrading of infrastructure and extention of reticulation in Malekutu	MWIG	Malekutu, Makoko, Phameni	34, 37		R -	R 3,500,000	R -	R -
Water and Sanitation	Water Supply	Refurbishment of reticulation in Clau-Clau	MWIG	Clau-Clau	10		R -	R 3,000,000	R -	R -
Water and Sanitation	Water Supply	Refurbishment of reticulation in Daantjie	MWIG	Daantjie	23		R -	R 6,000,000	R -	R -
Water and Sanitation	Water Supply	Water Network Refurbishment and Bulk Water Supply	MWIG	Institutional	Institutional		R -	R -	R 17,324,561	R -
Water and Sanitation	Water Supply	Upgrading of bulk infrastructure and extention of reticulation in Gutshwakop	MWIG	Gutshwakop	31		R -	R 4,000,000	R -	R -
Water and Sanitation	Water Supply	Backdoor, Mbonizweni, Phathwa - Augmentation line	MWIG	Backdoor, Mbonizweni,	32, 38		R 5,395,614	R 1,500,000	R -	R -
GRAND-TOTAL							R 266,066,742	R 544,770,965	R 557,834,047	R 622,617,913

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

The following pages present the ten main budget tables as required in terms of regulation 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

MP322 Mbombela - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework			
	R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance											
Property rates	245,816	274,262	290,608	324,308	334,063	334,063	334,063	359,793	389,941	426,010	
Service charges	586,181	635,229	709,239	800,233	803,485	803,485	803,485	882,602	1,004,598	1,153,237	
Investment revenue	–	–	–	6,226	6,226	6,226	6,226	9,475	10,611	11,885	
Transfers recognised - operational	375,143	382,171	359,287	397,237	395,322	395,322	395,322	574,714	614,100	669,574	
Other own revenue	126,062	215,973	178,536	200,148	207,345	207,345	207,345	283,761	305,014	336,176	
Total Revenue (excluding capital transfers and contributions)	1,333,202	1,507,635	1,537,671	1,728,151	1,746,441	1,746,441	1,746,441	2,110,344	2,324,265	2,596,883	
Employee costs	389,231	418,218	459,897	483,443	492,574	492,574	492,574	540,969	618,270	703,797	
Remuneration of councillors	19,302	20,925	25,892	27,724	27,724	27,724	27,724	29,411	31,176	33,046	
Depreciation & asset impairment	291,288	240,802	217,955	234,411	211,098	211,098	211,098	191,056	197,235	203,613	
Finance charges	42,703	46,639	52,684	51,682	52,563	52,563	52,563	54,340	52,233	50,195	
Materials and bulk purchases	369,832	419,565	437,831	489,230	492,554	492,554	492,554	574,537	648,387	736,892	
Transfers and grants	–	25,874	23,707	138,363	148,697	148,697	148,697	120,039	119,515	133,516	
Other expenditure	560,428	623,529	629,735	493,600	548,282	548,282	548,282	623,788	653,682	679,196	
Total Expenditure	1,672,784	1,795,551	1,847,700	1,918,454	1,973,492	1,973,492	1,973,492	2,134,140	2,320,497	2,540,254	
Surplus/(Deficit)	(339,582)	(287,916)	(310,030)	(190,302)	(227,050)	(227,050)	(227,050)	(23,796)	3,768	56,629	
Transfers recognised - capital	89,511	168,277	170,643	511,234	615,304	615,304	615,304	406,592	424,738	453,671	
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–	
Surplus/(Deficit) after capital transfers & contributions	(250,071)	(119,639)	(139,386)	320,932	388,254	388,254	388,254	382,796	428,505	510,300	
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	
Surplus/(Deficit) for the year	(250,071)	(119,639)	(139,386)	320,932	388,254	388,254	388,254	382,796	428,505	510,300	
Capital expenditure & funds sources											
Capital expenditure	194,948	236,732	230,742	522,517	698,262	698,262	698,262	544,771	557,834	622,618	
Transfers recognised - capital	90,336	163,788	176,109	418,672	505,691	505,691	505,691	406,592	424,738	453,671	
Public contributions & donations	2,886	3,904	4,072	3,150	5,042	5,042	5,042	3,058	3,425	3,836	
Borrowing	33,130	28,497	15,044	40,656	108,496	108,496	108,496	35,280	–	–	
Internally generated funds	68,597	40,544	35,517	60,039	79,033	79,033	79,033	99,841	129,672	165,111	
Total sources of capital funds	194,948	236,732	230,742	522,517	698,262	698,262	698,262	544,771	557,834	622,618	
Financial position											
Total current assets	209,942	189,657	279,661	450,748	277,765	277,765	277,765	412,389	569,657	759,162	
Total non current assets	5,556,114	5,487,244	5,505,817	6,255,304	5,636,897	5,636,897	5,636,897	5,854,002	6,123,950	6,479,457	
Total current liabilities	556,235	668,456	842,239	268,979	476,152	476,152	476,152	397,958	393,910	426,773	
Total non current liabilities	468,813	411,415	485,594	476,309	592,446	592,446	592,446	639,573	642,331	644,182	
Community wealth/Equity	4,741,008	4,597,030	4,457,644	5,960,765	4,846,064	4,846,064	4,846,064	5,228,860	5,657,366	6,167,665	
Cash flows											
Net cash from (used) operating	169,427	237,553	267,046	567,094	574,177	574,177	574,177	670,258	733,649	836,593	
Net cash from (used) investing	(177,919)	(236,531)	(226,517)	(436,529)	(608,353)	(608,353)	(608,353)	(540,381)	(552,911)	(617,111)	
Net cash from (used) financing	28,511	(17,256)	36,026	60,322	91,850	91,850	91,850	25,889	(20,560)	(23,451)	
Cash/cash equivalents at the year end	35,792	19,558	96,112	310,163	153,786	153,786	153,786	309,553	469,725	665,755	
Cash backing/surplus reconciliation											
Cash and investments available	49,425	33,255	110,496	348,900	169,443	169,443	169,443	326,595	488,274	685,946	
Application of cash and investments	385,297	490,034	652,439	113,557	335,629	335,629	335,629	271,901	267,550	304,177	
Balance - surplus (shortfall)	(335,872)	(456,779)	(541,943)	235,343	(166,187)	(166,187)	(166,187)	54,694	220,725	381,769	
Asset management											
Asset register summary (WDV)	5,541,848	5,473,075	5,490,998	6,216,567	5,620,819	5,620,819	5,620,819	5,836,551	5,836,551	6,105,004	
Depreciation & asset impairment	291,288	240,802	217,955	234,411	211,098	211,098	211,098	191,056	191,056	203,613	
Renewal of Existing Assets	43,869	73,709	69,523	318,296	370,310	370,310	370,310	352,561	386,066	446,706	
Repairs and Maintenance	133,564	153,645	148,020	119,283	172,915	172,915	172,915	181,561	181,561	188,872	
Free services											
Cost of Free Basic Services provided	27,813	50,764	51,779	138,363	138,363	138,363	138,363	142,514	142,514	151,193	
Revenue cost of free services provided	120,431	152,994	156,054	432,724	432,724	432,724	432,724	489,735	489,735	543,487	
Households below minimum service level											
Water:	36	32	29	26	26	26	26	28	28	29	
Sanitation/sewerage:	65	62	58	54	54	54	54	57	57	58	
Energy:	15	14	15	13	13	13	13	13	13	13	
Refuse:	22	37	38	41	41	41	41	42	42	42	

Explanatory notes to Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - (a) The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - (b) Capital expenditure is balanced by capital funding sources, of which:
 - (i) Transfers recognised are reflected on the Financial Performance Budget;
 - (ii) Borrowing is incorporated in the net cash from financing on the Cash Flow Budget; and
 - (iii) Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows positive cash balance which means that the municipalities' obligation will be met for the rest of the MTREF after considering its application of cash and investments.
5. The section of Free Services shows that the amount spent on Free Basic Services by the municipality continues to increase whilst the revenue cost continues to decrease for the MTREF.

MP322 Mbombela - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17
Revenue - Standard											
<i>Governance and administration</i>		584,625	700,309	736,429	1,288,937	1,287,090	1,287,090	1,352,991	1,380,051	1,407,652	
Executive and council		262	1,734	2,568	7,344	7,344	7,344	8,593	8,765	8,940	
Budget and treasury office		321,966	653,993	694,581	812,290	808,068	808,068	848,471	865,441	882,750	
Corporate services		262,398	44,582	39,279	469,303	471,678	471,678	495,927	505,846	515,962	
<i>Community and public safety</i>		14,878	47,432	33,037	14,325	24,382	24,382	27,133	27,675	28,229	
Community and social services		997	1,199	7,253	828	828	828	969	988	1,008	
Sport and recreation		10,351	41,238	10,361	9,820	19,925	19,925	21,918	22,356	22,803	
Public safety		—	3,962	15,423	3,677	3,630	3,630	4,247	4,332	4,418	
Housing		3,149	1,000	—	—	—	—	—	—	—	
Health		381	32	—	—	—	—	—	—	—	
<i>Economic and environmental services</i>		153,093	249,035	191,112	134,303	248,453	248,453	254,210	336,679	461,436	
Planning and development		1,980	4,847	4,877	6,086	6,086	6,086	7,114	7,257	7,402	
Road transport		151,113	244,188	186,234	128,217	242,367	242,367	247,096	329,422	454,034	
Environmental protection		—	—	1	—	—	—	—	—	—	
<i>Trading services</i>		670,116	679,135	747,736	801,820	801,820	801,820	882,602	1,004,598	1,153,237	
Electricity		510,427	547,081	608,772	677,124	677,124	677,124	741,660	835,794	945,728	
Water		58,625	48,821	49,063	35,886	35,886	35,886	45,759	68,563	100,707	
Waste water management		48,190	18,053	19,413	19,653	19,653	19,653	16,424	13,670	11,378	
Waste management		52,873	65,179	70,489	69,158	69,158	69,158	78,758	86,571	95,424	
<i>Other</i>	4	—	—	—	—	—	—	—	—	—	
Total Revenue - Standard	2	1,422,713	1,675,912	1,708,314	2,239,385	2,361,745	2,361,745	2,516,936	2,749,003	3,050,554	
Expenditure - Standard											
<i>Governance and administration</i>		339,814	417,534	505,010	470,821	478,432	478,432	488,000	502,640	522,746	
Executive and council		51,199	108,464	147,397	138,981	141,860	141,860	144,697	149,038	155,000	
Budget and treasury office		109,697	123,597	114,357	104,397	102,530	102,530	104,580	107,718	112,026	
Corporate services		178,917	185,473	243,257	227,444	234,042	234,042	238,723	245,884	255,720	
<i>Community and public safety</i>		224,522	313,724	309,776	254,551	254,476	254,476	259,565	267,352	278,046	
Community and social services		59,413	29,604	31,211	34,457	34,457	34,457	35,146	36,201	37,649	
Sport and recreation		136,460	206,212	177,951	135,140	131,144	131,144	133,767	137,780	143,291	
Public safety		—	69,309	94,837	78,408	82,328	82,328	83,974	86,494	89,953	
Housing		16,009	4,536	5,496	5,412	5,412	5,412	5,520	5,686	5,913	
Health		12,640	4,064	280	1,134	1,134	1,134	1,157	1,191	1,239	
<i>Economic and environmental services</i>		313,756	239,643	185,956	270,409	317,912	317,912	445,449	581,146	731,329	
Planning and development		24,725	38,159	32,448	40,927	45,056	45,056	45,957	47,336	49,229	
Road transport		289,031	195,680	150,304	226,051	272,856	272,856	399,491	533,809	682,099	
Environmental protection		—	5,804	3,203	3,431	—	—	—	—	—	
<i>Trading services</i>		794,693	821,373	843,807	920,084	920,084	920,084	938,486	966,640	1,005,306	
Electricity		449,423	501,249	522,353	559,827	559,827	559,827	571,024	588,155	611,681	
Water		157,910	104,072	138,030	151,944	151,944	151,944	154,982	159,632	166,017	
Waste water management		70,452	107,606	60,368	62,293	62,293	62,293	63,539	65,445	68,063	
Waste management		116,907	108,446	123,056	146,020	146,020	146,020	148,940	153,408	159,545	
<i>Other</i>	4	—	3,277	3,151	2,588	2,588	2,588	2,640	2,719	2,828	
Total Expenditure - Standard	3	1,672,784	1,795,551	1,847,700	1,918,454	1,973,492	1,973,492	2,134,140	2,320,497	2,540,254	
Surplus/(Deficit) for the year		(250,071)	(119,639)	(139,386)	320,932	388,254	388,254	382,796	428,505	510,300	

Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and it does balance to the operating revenue shown on Table A4.

3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case on Water, Waste water functions and the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

MP322 Mbombela - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Revenue by Vote</u>	1									
Vote 1 - COUNCIL		–	1,338	–	–	–	–	–	–	–
Vote 2 - COUNCIL SUPPORT		3	9	–	–	–	–	–	–	–
Vote 3 - PLANNING,PERFORMAMNCE & MONITOR		–	4	2	–	–	–	–	–	–
Vote 4 - MUNICIPAL MANAGER		–	71	19,897	–	–	–	–	–	–
Vote 5 - DEPUTY MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–
Vote 6 - FINANCIAL SERVICES		555,757	657,529	697,135	809,091	814,948	814,948	871,995	959,194	1,055,114
Vote 7 - TRANSVERAL		–	–	–	–	–	–	–	–	–
Vote 8 - CORPORATE SERVICES		1,757	65,813	1,751	1,645	1,645	1,645	1,694	1,745	1,797
Vote 9 - COMMUNITY SERVICES		301,972	145,735	149,326	213,430	225,862	225,862	232,638	253,575	281,468
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		5,061	5,913	4,943	9,977	9,977	9,977	10,277	10,585	10,797
Vote 11 - INFRASTRUCTURE DEVELOPMENT		558,163	799,499	835,261	1,205,243	1,309,313	1,309,313	1,400,333	1,523,903	1,701,378
Vote 12 - WATER & SANITATION		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	1,422,713	1,675,912	1,708,314	2,239,385	2,361,745	2,361,745	2,516,936	2,749,003	3,050,554
<u>Expenditure by Vote to be appropriated</u>	1									
Vote 1 - COUNCIL		18,338	23,850	40,972	36,470	37,610	37,610	38,362	39,130	39,912
Vote 2 - COUNCIL SUPPORT		13,223	14,393	18,604	25,673	29,261	29,261	29,846	30,443	31,052
Vote 3 - PLANNING,PERFORMAMNCE & MONITOR		30,612	24,405	39,736	46,287	50,416	50,416	51,424	52,453	53,502
Vote 4 - MUNICIPAL MANAGER		6,117	26,508	30,959	29,524	27,701	27,701	28,255	28,820	29,396
Vote 5 - DEPUTY MUNICIPAL MANAGER		12,498	145	17,122	10,301	10,276	10,276	10,481	10,691	10,905
Vote 6 - FINANCIAL SERVICES		197,160	205,675	126,880	157,613	155,746	155,746	161,976	179,793	201,368
Vote 7 - TRANSVERAL		–	4,610	7,357	8,823	9,225	9,225	9,409	9,597	9,789
Vote 8 - CORPORATE SERVICES		45,776	50,983	97,312	87,844	94,041	94,041	100,623	112,698	127,349
Vote 9 - COMMUNITY SERVICES		372,572	405,781	478,363	549,477	545,482	545,482	583,665	642,032	706,235
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		44,315	43,440	38,453	61,509	62,682	62,682	63,935	65,214	66,518
Vote 11 - INFRASTRUCTURE DEVELOPMENT		767,589	797,857	718,104	658,064	704,187	704,187	796,952	872,271	964,684
Vote 12 - WATER & SANITATION		164,584	197,906	233,838	246,868	246,868	246,868	259,211	277,356	299,545
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	1,672,784	1,795,551	1,847,700	1,918,454	1,973,492	1,973,492	2,134,140	2,320,497	2,540,254
Surplus/(Deficit) for the year	2	(250,071)	(119,639)	(139,386)	320,932	388,254	388,254	382,796	428,505	510,300

Explanatory notes Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table A4 - Budgeted Financial Performance revenue and Expenditure

MP322 Mbombela - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	245,816	274,262	290,608	324,308	334,063	334,063	334,063	359,793	389,941	426,010
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	493,156	536,399	600,817	681,348	681,348	681,348	681,348	741,660	835,794	945,728
Service charges - water revenue	2	25,453	24,667	27,482	30,074	30,136	30,136	30,136	45,759	68,563	100,707
Service charges - sanitation revenue	2	14,827	15,134	15,874	19,653	19,734	19,734	19,734	16,424	13,670	11,378
Service charges - refuse revenue	2	52,745	59,029	65,066	69,158	72,267	72,267	72,267	78,758	86,571	95,424
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		16,431	18,266	18,592	18,849	21,224	21,224	21,224	27,810	31,147	34,885
Interest earned - external investments					6,226	6,226	6,226	6,226	9,475	10,611	11,885
Interest earned - outstanding debtors		22,059	18,278	26,495	27,716	16,322	16,322	16,322	18,003	20,163	22,582
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		2,982	16,685	15,327	4,012	14,117	14,117	14,117	15,811	17,708	19,833
Licences and permits		7	21	4	50	2	2	2	2	2	3
Agency services		22,676	24,835	28,456	119,452	125,362	125,362	125,362	150,434	168,486	193,759
Transfers recognised - operational		375,143	382,171	359,287	397,237	395,322	395,322	395,322	574,714	614,100	669,574
Other revenue	2	61,908	137,889	87,845	26,149	26,399	26,399	26,399	67,312	62,591	59,608
Gains on disposal of PPE		-	-	1,816	3,920	3,920	3,920	3,920	4,390	4,917	5,507
Total Revenue (excluding capital transfers and contributions)		1,333,202	1,507,635	1,537,671	1,728,151	1,746,441	1,746,441	1,746,441	2,110,344	2,324,265	2,596,883
Expenditure By Type											
Employee related costs	2	389,231	418,218	459,897	483,443	492,574	492,574	492,574	540,969	618,270	703,797
Remuneration of councillors		19,302	20,925	25,892	27,724	27,724	27,724	27,724	29,411	31,176	33,046
Debt impairment	3	49,013	81,140	48,539	101,209	91,225	91,225	91,225	73,557	70,837	68,552
Depreciation & asset impairment	2	291,288	240,802	217,955	234,411	211,098	211,098	211,098	191,056	197,235	203,613
Finance charges		42,703	46,639	52,684	51,682	52,563	52,563	52,563	54,340	52,233	50,195
Bulk purchases	2	369,832	419,565	437,831	446,195	446,682	446,682	446,682	524,375	594,654	679,333
Other materials	8				43,035	45,872	45,872	45,872	50,161	53,733	57,559
Contracted services		168,686	206,545	244,594	218,204	290,556	290,556	290,556	338,764	354,090	365,667
Transfers and grants		-	25,874	23,707	138,363	148,697	148,697	148,697	120,039	119,515	133,516
Other expenditure	4, 5	340,231	334,844	336,602	174,187	166,501	166,501	166,501	211,467	228,754	244,977
Loss on disposal of PPE		2,497	1,001	-	-	-	-	-	-	-	-
Total Expenditure		1,672,784	1,795,551	1,847,700	1,918,454	1,973,492	1,973,492	1,973,492	2,134,140	2,320,497	2,540,254
Surplus/(Deficit)		(339,582)	(287,916)	(310,030)	(190,302)	(227,050)	(227,050)	(227,050)	(23,796)	3,768	56,629
Transfers recognised - capital		89,511	168,277	170,643	511,234	615,304	615,304	615,304	406,592	424,738	453,671
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(250,071)	(119,639)	(139,386)	320,932	388,254	388,254	388,254	382,796	428,505	510,300
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(250,071)	(119,639)	(139,386)	320,932	388,254	388,254	388,254	382,796	428,505	510,300
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(250,071)	(119,639)	(139,386)	320,932	388,254	388,254	388,254	382,796	428,505	510,300
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(250,071)	(119,639)	(139,386)	320,932	388,254	388,254	388,254	382,796	428,505	510,300

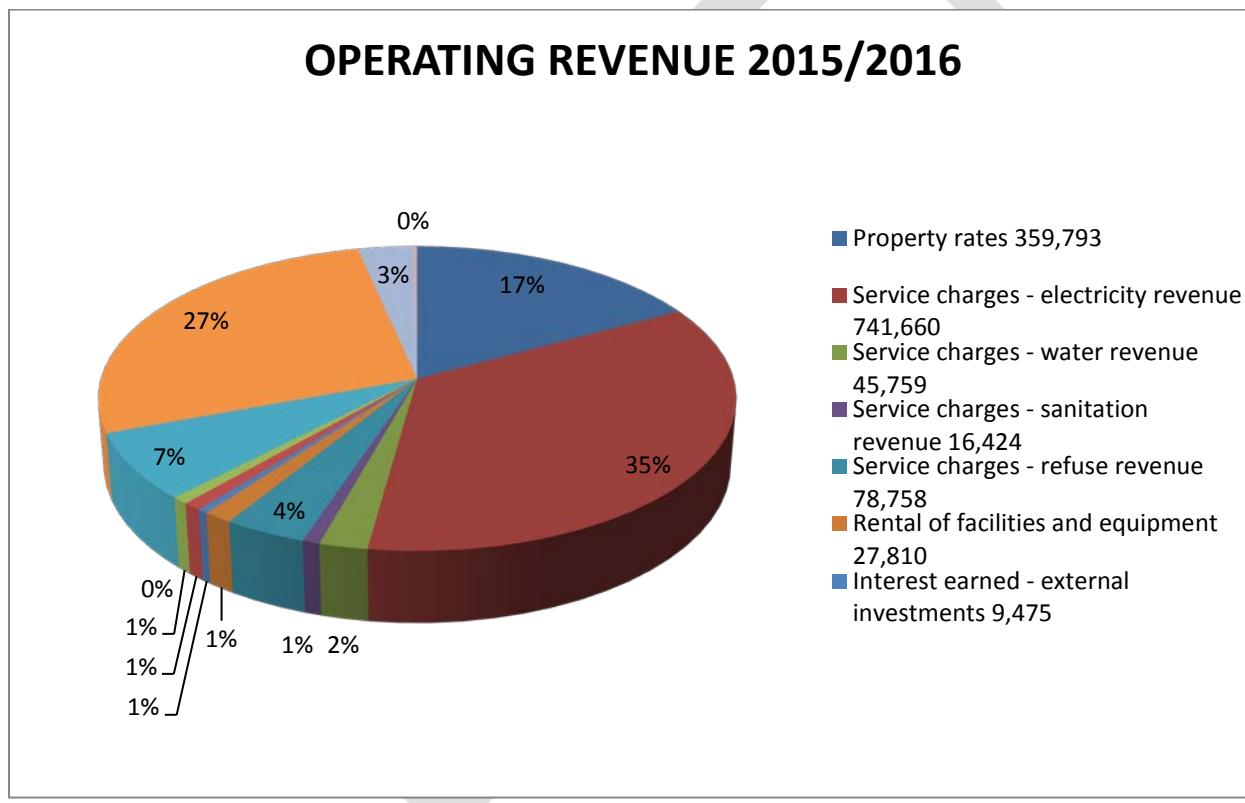
Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. The municipality will receive significant portion of its revenue from service charge (electricity, water, sewerage and refuse removal services) amounting to R883 million indicating an increase of R83 million nine (9) per cent in 2015/2016 financial year and increases to R1 153 billion over the medium-term. The revenue from service charge makes up 42 percent of the operating revenue budget.
2. The revenue from property rates will amount to R360 million after taking into account rates rebates in terms of the rates policy amounting to R168 million in 2015/2016 financial year and increases to R426

million over the medium-term. The property rates revenue contributes about 17 per cent of the total operating revenue budget.

3. Operating grants allocation comprising of equitable share and other small grants contributes 27 percent to the total operating revenue budget and will amount to R575 million in 2015/2016 financial year and increases to R670 million over the medium-term.
4. The other revenue amounts to R293 million indicating an increase of R86 million (29) percent. The other revenue comprise of revenue from agency fees of R150 million, interest from outstanding debtors and investments of R28 million, rental of municipal properties and facilities of R27 million and sundry income of R72 million. The other revenue contributes about 14 per cent of the total operating revenue budget.

In conclusion, the graphic illustration the main revenue streams of the municipality is as follows;



The employees' remuneration cost will amount to R541 million in 2015/2016 financial year due to an annual increase of R29 million (6%) and R20 million for filling of critical vacant positions. The employee cost to the total operating expenditure budget is 27 per cent. The employees remuneration cost will increase to R618 million in 2017/2018 financial year and the expenditure to the total operating budget will be 29 per cent.

The bulk purchase expenditure is mainly expenditure for bulk electricity purchase from Eskom and will increase to R524 million due to an average increase of 14.24 per cent granted to Eskom by the National Energy Regulator of South Africa, the increase will come into effect from 01 July 2015. The bulk purchase expenditure make up 25 per cent of the total operating expenditure budget.

The depreciation cost will be R191 million make up 9 per cent of the total operating expenditure and is about 3 per cent of the total assets carrying value of R5 837 billion. The depreciation costs represent the rate at which the assets of the municipality are utilized in rendering services and therefore the cost should be provided for/included on the budget to ensure the current ratepayers and users of the municipal services are able to contribute towards the refurbishment, upgrade and renewal of the assets.

The contracted and other expenditure increases by 11 per cent to R670 million in 2015/2016 and make up 31 per cent of the total operating expenditure budget. The increase on the contracted and other expenditure is due to the allocation of R196 million in 2015/2016 for operating programmes and projects that are in line with the municipal development priorities.

The municipality has allocated an amount of R143 million in the 2015/2016 financial year for provision of free basic services. The following free basic services will be provided in accordance with the criteria set on the indigent policy of the municipality and the table indicates the detailed breakdown of the free basic services.

MP322 Mbombela - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework				
		R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote													
Multi-year expenditure to be appropriated	2												
Vote 1 - COUNCIL				-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT				-	-	-	-	-	-	2,000	1,900	2,050	
Vote 3 - PLANNING,PERFORMAMNCE & MONITOR				4,034	4,517	5,450	6,737	6,737	6,737	-	-	-	
Vote 4 - MUNICIPAL MANAGER				-	-	-	-	4,000	4,000	4,000	4,228	5,536	7,723
Vote 5 - DEPUTY MUNICIPAL MANAGER				-	-	-	-	-	-	500	350	350	
Vote 6 - FINANCIAL SERVICES				-	1,201	-	7,500	11,799	11,799	11,799	5,939	9,978	14,649
Vote 7 - TRANSVERAL				-	-	-	-	-	-	-	-	-	
Vote 8 - CORPORATE SERVICES				-	-	6,563	2,250	4,860	4,860	4,860	7,250	7,909	11,033
Vote 9 - COMMUNITY SERVICES	47,246		14,303	6,072	36,744	47,170	47,170	47,170	47,170	25,997	33,342	44,569	
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT			-	1,716	9,097	5,237	9,784	9,784	9,784	25,470	39,559	53,399	
Vote 11 - INFRASTRUCTURE DEVELOPMENT	82,091		188,924	191,753	189,239	276,919	276,919	276,919	276,919	100,951	193,286	176,632	
Vote 12 - WATER & SANITATION	50,047		13,371	4,489	-	16,164	16,164	16,164	16,164	140,505	262,113	302,213	
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-	-	
Capital multi-year expenditure sub-total	7	179,383	223,549	222,490	246,420	377,433	377,433	377,433	377,433	312,841	553,974	612,618	
Single-year expenditure to be appropriated	2												
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-	
Vote 2 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-	-	
Vote 3 - PLANNING,PERFORMAMNCE & MONITOR		-	-	29	-	-	-	-	-	-	-	-	
Vote 4 - MUNICIPAL MANAGER	1,777	-	-	15	-	-	-	-	-	-	-	-	
Vote 5 - DEPUTY MUNICIPAL MANAGER	-	-	-	6	-	-	-	-	-	-	-	-	
Vote 6 - FINANCIAL SERVICES	732	-	945	1,600	1,600	1,600	1,600	1,600	1,600	1,000	-	-	
Vote 7 - TRANSVERAL	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 8 - CORPORATE SERVICES	2,006	1,471	3	100	100	100	100	100	100	500	-	-	
Vote 9 - COMMUNITY SERVICES	-	1,413	396	6,053	6,053	6,053	6,053	6,053	6,053	-	-	-	
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT	11,050	1,878	-	4,105	7,105	7,105	7,105	7,105	7,105	970	-	-	
Vote 11 - INFRASTRUCTURE DEVELOPMENT	-	8,422	6,858	264,239	305,612	305,612	305,612	305,612	305,612	143,065	3,860	10,000	
Vote 12 - WATER & SANITATION	-	-	-	-	-	-	-	-	-	86,395	-	-	
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total	15,566	13,183	8,251	276,097	320,470	320,470	320,470	320,470	320,470	231,930	3,860	10,000	
Total Capital Expenditure - Vote	194,948	236,732	230,742	522,517	697,904	697,904	697,904	697,904	697,904	544,771	557,834	622,618	
Capital Expenditure - Standard													
Governance and administration		15,172	43,001	72,641	28,509	30,232	30,232	30,232	30,232	27,952	31,608	42,815	
Executive and council		-	5,293	1,555	8,580	8,580	8,580	8,580	8,580	-	-	-	
Budget and treasury office	15,172	-	-	1,575	12,676	11,042	11,042	11,042	11,042	10,023	13,213	20,159	
Corporate services	-	37,708	69,512	7,252	10,609	10,609	10,609	10,609	10,609	17,928	18,396	22,656	
Community and public safety	21,831	15,759	10,262	37,017	36,668	36,668	36,668	36,668	36,668	39,313	32,889	17,305	
Community and social services	16,065	7,488	2,618	34,119	33,770	33,770	33,770	33,770	33,770	38,843	32,889	17,305	
Sport and recreation	134	7,311	5,743	2,898	2,898	2,898	2,898	2,898	2,898	-	-	-	
Public safety	5,632	15	1,901	-	-	-	-	-	-	-	-	-	
Housing	-	945	-	-	-	-	-	-	-	470	-	-	
Health	-	-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services	76,535	96,613	99,488	254,207	369,813	369,813	369,813	369,813	369,813	196,512	193,919	204,291	
Planning and development	1,373	1,912	7,491	39,186	21,465	21,465	21,465	21,465	21,465	23,670	37,029	50,616	
Road transport	75,162	94,701	91,997	215,021	348,348	348,348	348,348	348,348	348,348	172,842	156,890	153,675	
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	
Trading services	81,410	80,622	47,477	202,784	261,549	261,549	261,549	261,549	261,549	280,994	299,417	358,206	
Electricity	22,536	7,897	8,821	45,514	41,623	41,623	41,623	41,623	41,623	28,739	21,004	29,107	
Water	42,209	36,945	31,495	109,019	169,053	169,053	169,053	169,053	169,053	208,277	232,789	295,901	
Waste water management	-	27,534	6,793	28,943	38,872	38,872	38,872	38,872	38,872	34,223	29,324	6,234	
Waste management	16,666	8,245	368	19,308	12,000	12,000	12,000	12,000	12,000	9,755	16,300	26,964	
Other	-	737	873	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure - Standard	3	194,948	236,732	230,742	522,517	698,262	698,262	698,262	698,262	544,771	557,834	622,618	
Funded by:													
National Government		90,336	163,788	176,109	418,672	502,691	502,691	502,691	502,691	406,592	424,738	453,671	
Provincial Government		-	-	-	-	3,000	3,000	3,000	3,000	-	-	-	
District Municipality		-	-	-	-	-	-	-	-	-	-	-	
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	
Transfers recognised - capital	4	90,336	163,788	176,109	418,672	505,691	505,691	505,691	505,691	406,592	424,738	453,671	
Public contributions & donations	5	2,886	3,904	4,072	3,150	5,042	5,042	5,042	5,042	3,058	3,425	3,836	
Borrowing	6	33,130	28,497	15,044	40,656	108,496	108,496	108,496	108,496	35,280	-	-	
Internally generated funds		68,597	40,544	35,517	60,039	79,033	79,033	79,033	79,033	99,841	129,672	165,111	
Total Capital Funding	7	194,948	236,732	230,742	522,517	698,262	698,262	698,262	698,262	544,771	557,834	622,618	

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. R545 million has been allocated for 2015/16 and an increase in 2017/18 amounting to R623 million.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds the availability of internal reserves will depend largely on collection of outstanding debts. For 2015/16, capital grants totals R407 million, increase to R425 million by 2016/17 and increase to R454 million by 2017/18. Borrowing has been provided at R35 million for 2015/16 with internally generated funding totaling R100 million, R130 million and R165 million for each of the respective financial years of the MTREF.
5. The grants in-kind allocation for the 2015/2016 budget year amounts to R82 million.
6. The allocation of the capital funding on projects was based on the municipal priorities informed by the public participation and consultative process conducted during the review of the Integrated Development Plan (IDP).
7. The municipality will be spending in the next three years R1 369 billion (79 per cent) of the total capital expenditure budget) on services infrastructure development to address backlogs.

MP322 Mbombela - Table A6 Budgeted Financial Position

Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		35,792	19,558	96,112	310,163	153,786	153,786	153,786	309,553	469,725	665,755
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	66,194	111,477	106,211	107,447	100,403	100,403	100,403	76,585	74,327	66,894
Other debtors		93,011	38,460	56,729	17,566	-	-	-	-	-	-
Current portion of long-term receivables		65	18	38	-	2,571	2,571	2,571	4,374	3,703	4,148
Inventory	2	14,880	20,144	20,570	15,573	21,005	21,005	21,005	21,878	21,902	22,365
Total current assets		209,942	189,657	279,661	450,748	277,765	277,765	277,765	412,389	569,657	759,162
Non current assets											
Long-term receivables		633	473	434	-	421	421	421	409	396	385
Investments		13,633	13,696	14,384	38,737	15,657	15,657	15,657	17,042	18,550	20,191
Investment property		341,310	336,361	334,168	338,959	310,776	310,776	310,776	288,554	265,855	243,514
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	5,194,556	5,131,021	5,151,359	5,877,608	5,304,088	5,304,088	5,304,088	5,542,220	5,833,546	6,209,932
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		5,982	5,694	5,472	-	5,956	5,956	5,956	5,777	5,604	5,436
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		5,556,114	5,487,244	5,505,817	6,255,304	5,636,897	5,636,897	5,636,897	5,854,002	6,123,950	6,479,457
TOTAL ASSETS		5,766,056	5,676,901	5,785,477	6,706,053	5,914,662	5,914,662	5,914,662	6,266,391	6,693,607	7,238,620
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	15,385	14,260	16,017	17,406	16,828	16,828	16,828	18,600	20,560	23,451
Consumer deposits		10,163	19,818	22,262	13,038	22,708	22,708	22,708	22,935	23,393	23,861
Trade and other payables	4	530,688	623,103	799,321	226,738	428,099	428,099	428,099	348,647	342,612	372,262
Provisions		-	11,276	4,639	11,797	8,517	8,517	8,517	7,777	7,345	7,198
Total current liabilities		556,235	668,456	842,239	268,979	476,152	476,152	476,152	397,958	393,910	426,773
Non current liabilities											
Borrowing		357,050	189,428	226,517	363,887	313,504	313,504	313,504	339,393	318,833	295,382
Provisions		111,762	221,987	259,077	112,422	278,942	278,942	278,942	300,179	323,498	348,800
Total non current liabilities		468,813	411,415	485,594	476,309	592,446	592,446	592,446	639,573	642,331	644,182
TOTAL LIABILITIES		1,025,048	1,079,871	1,327,833	745,288	1,068,598	1,068,598	1,068,598	1,037,531	1,036,241	1,070,954
NET ASSETS	5	4,741,008	4,597,030	4,457,644	5,960,765	4,846,064	4,846,064	4,846,064	5,228,860	5,657,366	6,167,665
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		4,741,008	4,597,030	4,457,644	5,960,765	4,846,064	4,846,064	4,846,064	5,228,860	5,657,366	6,167,665
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	4,741,008	4,597,030	4,457,644	5,960,765	4,846,064	4,846,064	4,846,064	5,228,860	5,657,366	6,167,665

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table SA3 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:

- Call investments deposits;
- Consumer debtors;
- Property, plant and equipment;
- Trade and other payables;
- Provisions non-current;
- Changes in net assets; and
- Reserves

4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

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MP322 Mbombela - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		221,227	270,165	293,467	334,063	324,308	324,308	324,308	340,918	372,310	409,541
Service charges		588,423	634,720	726,037	689,269	732,565	732,565	732,565	926,011	1,062,886	1,229,547
Other revenue		61,815	46,608	38,293	172,431	172,987	172,987	172,987	249,931	267,125	293,740
Government - operating	1	306,481	327,061	359,287	397,237	395,322	395,322	395,322	471,502	506,459	547,483
Government - capital	1	176,162	325,620	376,805	511,234	519,192	519,192	519,192	509,804	532,379	575,762
Interest		22,059	3,246	3,714	33,942	22,548	22,548	22,548	27,477	30,774	34,467
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(1,182,273)	(1,313,807)	(1,468,220)	(1,392,788)	(1,416,182)	(1,416,182)	(1,416,182)	(1,695,148)	(1,880,677)	(2,084,378)
Finance charges		(24,195)	(30,186)	(38,631)	(39,931)	(32,326)	(32,326)	(32,326)	(40,199)	(38,092)	(36,054)
Transfers and Grants	1	(271)	(25,874)	(23,707)	(188,363)	(144,236)	(144,236)	(144,236)	(120,039)	(119,515)	(133,516)
NET CASH FROM/(USED) OPERATING ACTIVITIES		169,427	237,553	267,046	567,094	574,177	574,177	574,177	670,258	733,649	836,593
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		6,703	315	3,690	-	3,920	3,920	3,920	4,390	4,917	5,507
Decrease (Increase) in non-current debtors		-	-	-	85,988	85,988	85,988	85,988	-	-	-
Decrease (increase) other non-current receivables		(153)	(51)	18	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		8,963	(63)	(688)	-	-	-	-	-	-	-
Payments											
Capital assets		(193,433)	(236,733)	(229,537)	(522,517)	(698,262)	(698,262)	(698,262)	(544,771)	(557,834)	(622,618)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(177,919)	(236,531)	(226,517)	(436,529)	(608,353)	(608,353)	(608,353)	(540,381)	(552,917)	(617,111)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		29,443	15,272	51,791	77,151	108,679	108,679	108,679	44,490	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(932)	(32,528)	(15,766)	(16,828)	(16,828)	(16,828)	(16,828)	(18,600)	(20,560)	(23,451)
NET CASH FROM/(USED) FINANCING ACTIVITIES		28,511	(17,256)	36,026	60,322	91,850	91,850	91,850	25,889	(20,560)	(23,451)
NET INCREASE/ (DECREASE) IN CASH HELD		20,019	(16,234)	76,554	190,887	57,674	57,674	57,674	155,767	160,172	196,031
Cash/cash equivalents at the year begin:	2	15,773	35,792	19,558	119,276	96,112	96,112	96,112	153,786	153,786	309,553
Cash/cash equivalents at the year end:	2	35,792	19,558	96,112	310,163	153,786	153,786	153,786	309,553	469,725	665,755

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2015/16 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. The above table reflects that the municipality will be able to improve its cashflow position from R154 million in 2014/15 (50 percent) to R310 million in 2015/2016 and increases to R666 million in 2017/18 financial year.
5. The cash inflows will be generated from operating activities amounting to R2 526 billion and financing activities amounting to R45 million.
6. The cash received will be utilised for operating activities amounting to R1 855 billion, investing (capital expenditure) activities amounting to R545 million and financing activities (repayment of borrowings) amounting to R19 million.

MP322 Mbombela - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	35,792	19,558	96,112	310,163	153,786	153,786	153,786	309,553	469,725	665,755
Other current investments > 90 days		0	0	0	0	(0)	(0)	(0)	-	-	-
Non current assets - Investments	1	13,633	13,696	14,384	38,737	15,657	15,657	15,657	17,042	18,550	20,191
Cash and investments available:		49,425	33,255	110,496	348,900	169,443	169,443	169,443	326,595	488,274	685,946
Application of cash and investments											
Unspent conditional transfers		104,132	138,521	295,056	51,123	201,361	201,361	201,361	142,233	134,922	142,137
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	281,165	351,513	357,384	62,433	134,268	134,268	134,268	129,667	132,627	162,040
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		385,297	490,034	652,439	113,557	335,629	335,629	335,629	271,901	267,550	304,177
Surplus(shortfall)		(335,872)	(456,779)	(541,943)	235,343	(166,187)	(166,187)	(166,187)	54,694	220,725	381,769

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be “funded”.
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2013/14 MTREF was not funded owing to the significant deficit.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
7. As can be seen the budget has been modeled to progressively move from a shortfall of (R166) million in 2014/15 to a surplus of R382 million by 2017/18.

MP322 Mbombela - Table A9 Asset Management

Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE										
Total New Assets	1	151,079	163,023	161,218	204,222	327,593	327,593	192,209	171,768	175,912
Infrastructure - Road transport		44,600	117,921	83,741	84,742	121,597	121,597	90,954	86,780	88,875
Infrastructure - Electricity		13,277	2,851	4,068	19,034	39,931	39,931	5,255	10,140	13,158
Infrastructure - Water		38,500	—	36,345	65,448	93,745	93,745	45,588	14,847	5,900
Infrastructure - Sanitation		14,224	20,146	16,733	7,032	16,683	16,683	5,500	8,762	7,277
Infrastructure - Other		4,533	1,802	2,840	6,870	17,249	17,249	5,755	11,300	19,964
Infrastructure		115,734	142,720	143,727	183,126	289,205	289,205	153,053	131,829	135,174
Community		5,825	17,361	6,660	5,183	7,695	7,695	7,849	8,006	8,166
Heritage assets		1,414	367	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets	6	27,832	859	7,221	15,913	30,693	30,693	31,307	31,933	32,572
Agricultural Assets		—	1,716	179	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		875	—	3,431	—	—	—	—	—	—
Total Renewal of Existing Assets	2	43,869	73,709	69,523	318,296	370,310	370,310	352,561	386,066	446,706
Infrastructure - Road transport		29,940	37,383	24,202	100,845	138,683	138,683	81,887	70,110	64,800
Infrastructure - Electricity		7,208	1,288	4,753	21,042	49,036	49,036	23,483	10,864	15,949
Infrastructure - Water		540	27,044	12,946	77,494	18,733	18,733	154,507	217,943	290,001
Infrastructure - Sanitation		2,748	607	2,872	69,227	84,869	84,869	28,723	20,824	6,234
Infrastructure - Other		—	1,795	14,436	22,767	48,545	48,545	32,750	34,324	36,911
Infrastructure		40,436	68,117	59,209	291,375	339,868	339,868	321,350	354,065	413,895
Community		919	1,480	919	5,971	5,971	5,971	6,150	6,334	6,524
Heritage assets		—	—	2,127	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets	6	1,363	4,112	7,268	20,950	24,472	24,472	25,062	25,667	26,287
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		1,151	—	—	—	—	—	—	—	—
Total Capital Expenditure	4	74,540	155,304	107,943	185,587	260,281	260,281	172,842	156,890	153,675
Infrastructure - Road transport		20,485	4,140	8,821	40,076	88,967	88,967	28,739	21,004	29,107
Infrastructure - Electricity		39,040	27,044	49,292	142,942	112,478	112,478	200,095	232,789	295,901
Infrastructure - Water		16,972	20,753	19,604	76,258	101,553	101,553	34,223	29,586	13,511
Infrastructure - Sanitation		4,533	3,597	17,275	29,637	65,794	65,794	38,505	45,624	56,875
Infrastructure		155,570	210,838	202,936	474,501	629,072	629,072	474,403	485,894	549,069
Community		6,744	18,840	7,580	11,153	13,666	13,666	13,999	14,340	14,690
Heritage assets		1,414	367	2,127	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets		29,195	4,971	14,490	36,864	55,166	55,166	56,369	57,600	58,859
Agricultural Assets		—	1,716	179	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		2,026	—	3,431	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset class	2	194,948	236,732	230,742	522,517	697,904	697,904	544,771	557,834	622,618
ASSET REGISTER SUMMARY - PPE (WDV)										
5	1,120,929	1,176,975	1,179,329	1,524,764	1,324,764	1,324,764	1,355,259	1,486,365	1,518,092	
Infrastructure - Road transport		477,591	501,471	502,473	564,287	564,287	564,287	575,573	587,084	598,826
Infrastructure - Electricity		1,037,938	1,089,834	1,092,014	1,236,277	1,136,277	1,136,277	1,161,003	1,286,223	1,311,947
Infrastructure - Water		572,516	601,142	602,344	638,308	638,308	638,308	698,134	664,096	677,378
Infrastructure - Sanitation		79,445	564,769	565,898	511,313	411,313	411,313	521,539	531,970	642,609
Infrastructure		3,288,479	3,934,191	3,942,060	4,474,949	4,074,949	4,074,949	4,371,507	4,555,737	4,748,852
Community		1,198,731	1,196,829	1,209,300	1,402,659	1,229,139	1,229,139	1,230,712	1,277,809	1,461,081
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		341,310	336,361	334,168	338,959	310,776	310,776	288,554	265,855	243,514
Other assets		707,406	—	—	—	—	—	—	—	—
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		5,982	5,694	5,472	—	5,956	5,956	5,777	5,604	5,436
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	5,541,848	5,473,075	5,490,998	6,216,567	5,620,819	5,620,819	5,836,551	6,105,004	6,458,882
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		291,288	240,802	217,955	234,411	211,098	211,098	191,056	197,235	203,613
Repairs and Maintenance by Asset Class	3	133,564	153,645	148,020	119,283	172,915	172,915	181,561	188,872	197,407
Infrastructure - Road transport		48,307	36,842	47,803	54,469	60,197	60,197	63,207	66,367	69,685
Infrastructure - Electricity		25,046	29,027	35,373	20,619	33,160	33,160	34,818	36,559	38,387
Infrastructure - Water		13,452	22,165	4,661	1,856	7,498	7,498	7,873	8,267	8,680
Infrastructure - Sanitation		10,767	14,528	—	1,873	6,399	6,399	6,719	7,055	7,408
Infrastructure - Other		10,831	15,417	1,299	641	3,893	3,893	4,087	4,292	5,364
Infrastructure		108,404	177,987	89,135	79,458	111,147	111,147	116,704	122,539	129,525
Community		15,773	28,076	8,703	7,405	14,600	14,600	15,330	16,097	16,901
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets	6, 7	9,387	7,588	50,182	32,420	47,168	47,168	49,526	50,236	50,981
TOTAL EXPENDITURE OTHER ITEMS		424,852	394,447	365,974	353,694	384,013	384,013	372,617	386,107	401,020
Renewal of Existing Assets as % of total capex		22.5%	31.1%	30.1%	60.9%	53.1%	53.1%	64.7%	69.2%	71.7%
Renewal of Existing Assets as % of deprecn"		15.1%	30.6%	31.9%	135.8%	175.4%	175.4%	184.5%	195.7%	219.4%
R&M as a % of PPE		2.6%	3.0%	2.9%	2.0%	3.3%	3.3%	3.3%	3.2%	3.2%
Renewal and R&M as a % of PPE		3.0%	4.0%	4.0%	7.0%	10.0%	10.0%	9.0%	10.0%	10.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. For the 2014/15 financial year, 31 percent or (R117 million) of total repairs and maintenance by asset class will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totaling 17 percent (R63 million), followed by other assets totaling 13 percent (R50 million), Electricity at 9.3 percent (R35 million), Community at 4 percent (R15 million).

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MP322 Mbombela - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
<i>Water:</i>										
Piped water inside dwelling		126,051	131,344	133,971	153,872	153,872	153,872	161,566	169,644	173,037
Piped water inside yard (but not in dwelling)	2									
Using public tap (at least min. service level)	4	126,051	131,344	133,971	153,872	153,872	153,872	161,566	169,644	173,037
Other water supply (at least min. service level)										
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min. service level)	3									
Other water supply (< min. service level)	4	35,752	31,710	28,715	26,207	26,207	26,207	27,517	28,343	29,193
No water supply		35,752	31,710	28,715	26,207	26,207	26,207	27,517	28,343	29,193
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	161,803	163,054	162,686	180,079	180,079	180,079	189,083	197,987	202,230
<i>Sanitation/sewerage:</i>										
Flush toilet (connected to sewerage)		97,473	102,031	104,072	110,035	110,035	110,035	115,536	119,003	121,383
Flush toilet (with septic tank)				—				—		
Chemical toilet								—		
Pit toilet (ventilated)		3,140	4,370	4,457	5,455	5,455	5,455	5,727	5,899	6,017
Other toilet provisions (> min. service level)				—				—		
<i>Minimum Service Level and Above sub-total</i>										
Bucket toilet		100,613	106,401	108,529	115,490	115,490	115,490	121,264	124,902	127,400
Other toilet provisions (< min. service level)					—	—	—			
No toilet provisions		64,709	62,409	57,541	54,034	54,034	54,034	56,736	57,870	58,449
<i>Below Minimum Service Level sub-total</i>					54,034	54,034	54,034	56,736	57,870	58,449
Total number of households	5	165,322	168,810	166,070	169,524	169,524	169,524	178,000	182,772	185,849
<i>Energy:</i>										
Electricity (at least min. service level)		147,259	148,061	151,022	158,317	158,317	158,317	161,483	164,713	168,007
Electricity - prepaid (min. service level)										
<i>Minimum Service Level and Above sub-total</i>										
Electricity (< min. service level)		147,259	148,061	151,022	158,317	158,317	158,317	161,483	164,713	168,007
Electricity - prepaid (< min. service level)		15,180	14,457	15,180	12,517	12,517	12,517	12,767	13,023	13,283
Other energy sources										
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	15,180	14,457	15,180	12,517	12,517	12,517	12,767	13,023	13,283
<i>Refuse:</i>										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>										
Removed less frequently than once a week										
Using communal refuse dump		—	—	—	—	—	—	—	—	—
Using own refuse dump		9,744	15,281	15,587	16,847	16,847	16,847	17,184	17,184	17,184
Other rubbish disposal		2,121	7,416	7,564	8,176	8,176	8,176	8,340	8,340	8,340
No rubbish disposal		5,234	6,804	6,940	7,501	7,501	7,501	7,651	7,651	7,651
<i>Below Minimum Service Level sub-total</i>		—	—	—	—	—	—	—	—	—
Total number of households	5	4,500	7,938	8,097	8,752	8,752	8,752	8,927	8,927	8,927
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		5,625	10,215	10,419	161,773	161,773	161,773	161,773	161,773	161,773
Sanitation (free minimum level service)		5,625	10,215	10,419	161,773	161,773	161,773	161,773	161,773	161,773
Electricity/other energy (50kwh per household per month)		5,625	10,215	10,419	13,446	13,446	13,446	14,158	14,441	14,874
Refuse (removed at least once a week)		1,219	2,207	2,251	13,446	13,446	13,446	14,158	14,441	14,874
Cost of Free Basic Services provided (R'000)	8	—	—	—	—	—	—	—	—	—
Water (6 kilolitres per household per month)		21,778	39,323	40,109	72,790	72,790	72,790	74,974	77,223	79,540
Sanitation (free sanitation service)		—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)		4,500	9,271	9,457	34,819	34,819	34,819	35,863	36,939	38,047
Refuse (removed once a week)		1,535	2,170	2,213	30,754	30,754	30,754	31,677	32,627	33,606
Total cost of FBS provided (minimum social package)		27,813	50,764	51,779	138,363	138,363	138,363	142,514	146,789	151,193
Highest level of free service provided										
Property rates (R value threshold)		80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	6	6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	—	—	—	—	—	—	—	—	—	—
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		3,019	4,981	5,080	5,304	5,304	5,304	5,570	5,848	6,141
Property rates (other exemptions, reductions and rebates)		77,651	108,690	110,864	121,433	121,433	121,433	162,878	172,707	183,128
Water		32,198	39,323	40,109	149,883	149,883	149,883	157,377	165,246	173,509
Sanitation		581	—	—	149,883	149,883	149,883	157,377	165,246	173,509
Electricity/other energy		5,355	—	—	6,221	6,221	6,221	6,532	6,858	7,201
Refuse		1,627	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates		—	—	—	—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Total revenue cost of free services provided (total social package)		120,431	152,994	156,054	432,724	432,724	432,724	489,735	515,906	543,487

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. It is anticipated that these Free Basic Services will cost the municipality R143 million in 2015/16. This is covered by the municipality's equitable share allocation from national government.
2. In addition to the Free Basic Services, the Municipality also 'gives' households R490 million in free services in 2015/16.

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PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget process overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 21 August 2014. Key dates applicable to the process were:

(a) Planning Phase

The Mayor tabled in Council the required the IDP and budget time schedule on 21 August 2014 – council resolution (A4). The following process was followed during the review of MLM IDP and Budget for 2015/2016.

(b) Analysis Phase

Community based Planning (CBP) meetings took place during 01- 30 September 2014 and the zonal meetings were held on the 9,16,17,28 and 31 October 2014. The main aim of the meetings was to report on the municipality performance and achievements of the previous financial year and also to give the communities an opportunity to raise and confirm priority issues that need to be addressed within the next 2015/2016 financial year.

(c) Strategy Phase

A Mayoral Lekgotla was held on the 13 November 2014 and a follow up was held on the 8- 11 December 2014 to refine and confirm the municipal strategic objectives and priorities for 2015/2016 IDP Review based on the community needs as outlined in table below and the national, provincial, district priorities.

The Mayoral Lekgotla) which was attended by Executive, Mayor, Speaker, Chief Whip, MMCs (political office bearers), Chairpersons of Section 79 Oversight Committees, Municipal Manager, General Managers and Senior Managers also reviewed the municipal performance in 2013/2014 and re-confirmed the municipality's IDP development priorities.

(d) Project Phase

On 04 to 06 March 2015, the municipality held another Mayoral Lekgotla to identify programmes and projects that must be prioritised in the 2015/2016 IDP Review and budget.

(e) Integration Phase

During the finalisation of IDP projects, the municipality will consider programmes from sector departments and other governmental parastatals such as ESKOM, and the projects will be included in Chapter 6 of the revised 2015 - 2018 IDP, a workshop for councilors was held on the 25 March 2015.

The municipality has approved the Spatial Development Framework (SDF) to guide all the future development, and is in the process of developing and reviewing the key sector plans that will assist in achieving the constitutional obligations. The sector plans amongst others include the Long term strategic plan (Vision 2030), Local Economic Development Strategy, Environmental Management Framework, Integrated Waste Management Plan, Comprehensive Infrastructure Plan and Disaster Management Plan.

(f) Approval Phase

The 2015/16 Draft Budget was tabled before council for approval on the 31 March 2015. The notice on the document will be advertised on local print media on 09 and 10 April 2015. Moreover, the document is also placed on the municipal website and in all the municipal service centres i.e Nelspruit Civic Centre, White River Civic Centre, Hazyview Civic Centre, Kabokweni Civic Centre, Kanyamazane Civic Centre and Matsulu Civic Centre on 13 April – 13 May 2015 for public awareness and participation on the adopted draft budget.

The public participation and consultative process with regard to the approved final IDP and budget will be undertaken from 13 April 2015 - 13 May 2015. Five zonal community participation meetings will be held as well as two other meetings one with organised stakeholders, attended by stakeholders such as Kruger Lowveld Chamber Business and Tourism (KLCBT), NAFCOC, Ratepayers Association and Farmers Association and another with traditional leaders thereafter ward based meetings will be held to create public awareness and meaningful participation regarding the adopted IDP and budget the local print media and the local radio stations were used for publication.

All the comments and inputs received during the consultative process will be analyzed and those critical will be incorporated into the IDP and budget where necessary.

2.1.2 IDP and service delivery and budget implementation plan

It started in August 2014 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2015/16 MTREF.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- (a) Registration of community needs;
- (b) Compilation of departmental business plans including key performance indicators and targets;
- (c) Financial planning and budgeting process;
- (d) Public participation process;
- (e) Compilation of the SDBIP, and
- (f) The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2015/16 MTREF, based on the approved 2014/15 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2015/16 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2014/15 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial modelling and key planning drivers

As part of the compilation of the 2015/2016 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2015/16 – 2017/2018 annual budget and MTREF:

- (a) Municipality's growth
- (b) Policy priorities and strategic objectives
- (c) Asset maintenance
- (d) Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- (e) Performance trends
- (f) The approved 2014/15 adjustments budget and performance against the SDBIP
- (g) Cash Flow Management
- (h) Debtor payment levels
- (i) Loan and investment possibilities
- (j) The need for tariff increases versus the ability of the community to pay for services
- (k) Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars in relation to municipal budget process has been taken into consideration in the planning and prioritisation process.

2.1.4 Community consultation

Chapter 4 of the MSA states that municipalities must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must encourage, and create conditions for the local community to participate in the affairs of the municipality including the preparation, implementation and review of its IDP, Budget and Performance Management System. It furthermore states that participation by the local community must take place through Political Structures, Ward Committees and Councilors. In compliance to this, MLM has adopted Public participation policy, Community Based Planning policy and policy on Ward

2.1.5 Committees and participation

The participation of communities is driven through a Ward Committee System managed by the Public Participation Unit in the Office of the Speaker and the IDP Representative Forum. The central role of Ward Committees is to facilitate local community participation in decisions which affect the local community, to articulate local community interests and to represent these interests within the municipal governing structures. MLM's public participation process comprises of registration of ward needs, specific Ward Imbizo(s) and participation sessions and comments on the IDP.

Key to the participation process is a Needs Database developed per ward and managed by the Office of the Executive Mayor and Municipal Manager through the Corporate Strategy (IDP Unit). This database comprises of an inventory of development issues and needs recorded in each of the wards in Mbombela over a number of years. This Needs Database serves as the basis for community consultation and participation in the municipality and as inputs to the Departmental Business Planning process. During each annual IDP review process, Ward Committees and Ward Councilors are given an opportunity to update the priority issues and needs for their specific ward areas. This process takes place at the beginning of the revision process. The updated Needs Database informs the business plan formulation process conducted by various line functional departments of the municipality.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA.

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- (a) Green Paper on National Strategic Planning of 2009;
- (b) Government Programme of Action;
- (c) Development Facilitation Act of 1995;
- (d) Provincial Growth and Development Strategy (GGDS);
- (e) National and Provincial spatial development perspectives;
- (f) Relevant sector plans such as transportation, legislation and policy;
- (g) National Key Performance Indicators (NKPIs);
- (h) Accelerated and Shared Growth Initiative (ASGISA);
- (i) National 2014 Vision;
- (j) National Spatial Development Perspective (NSDP); and
- (k) The National Priority Outcomes.

2.2.1 National priorities

The President on his 2015 State of the Nation Address mentioned five national priorities which should be embedded by all spheres of government on the planning and budgeting processes for the medium-term. The government has introduced the New Growth Plan that will guide the work of all spheres of government in achieving the goals relating these national priorities within the premise that the creation of decent work is at the centre of our economic policies.

The five national priorities are;

- (a) Creating decent jobs;
- (b) Improving the quality of education;
- (c) Enhancing health services;
- (d) Enhancing rural development and agrarian; and
- (e) Fight against crime and corruption.

In His address, the President has further declared 2015 as a year of job creation. The municipalities should align their programmes with the job creation imperative.

To achieve this national priority, municipalities are urged to when drafting 2015/2016 budgets to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the EPWP. The municipality ought to focus on maximizing its contribution to job creation by;

- (a) Ensuring that service delivery and capital project use labour intensive methods wherever appropriate.
- (b) Ensuring that service providers use labour intensive approaches.
- (c) Supporting labour intensive LED projects.
- (d) Participating fully in the EPWP/National youth service plan NYDP.
- (e) Implementing interns programmes to provide young people with on-the-job training

The Constitution requires local government to relate its management, budgeting and planning functions to achieve its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's seven strategic objectives for the 2015/16 MTREF and further planning refinements that have directly informed the compilation of the budget:

2.2.2 IDP strategic objectives

The municipality's development priority and objectives

IDP Development priority	IDP Development objective
Institutional development and transformation	<ul style="list-style-type: none"> • To build strong sustainable governance and institutional structures and arrangements • To redefine strategic macro leadership and coordination structures involving the local, district, provincial and national government
Infrastructure and sustainable services	<ul style="list-style-type: none"> • To strengthen the delivery of basic services and ensure sustainable integrated human settlement supported by infrastructure development
Rural Development	<ul style="list-style-type: none"> • To strengthen the delivery of basic services and ensure sustained integrated human settlement supported by infrastructure development • To formulate a broad over-arching human capital and community development
Economic development	<ul style="list-style-type: none"> • To initiate a strong and sustainable local/regional economic development potential and sustainable environmental management
Financial management and viability	<ul style="list-style-type: none"> • To ensure legally sound financial viability and management

Human capital and community development	<ul style="list-style-type: none"> • To formulate a broad over-arching human capital and community development
2010 Legacy and Flagship projects concept	<ul style="list-style-type: none"> • To initiate a strong and sustainable local/regional economic development potential and sustainable environmental management • To strengthen the delivery of basic services and ensure sustained integrated human settlement supported by infrastructure development • To formulate a broad over-arching human capital and community development • To build strong sustainable governance and institutional structures and arrangements • To redefine strategic macro leadership and coordination structures involving the local, district, provincial and national government

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the seven strategic objectives:

Alignment of MLM IDP priorities with National, Provincial and District Priorities

MILLENNIUM DEVELOPMENT GOALS	IDP PRIORITIES- MUNICIPAL RESPONSE
Develop a Global Partnership for Development	<ul style="list-style-type: none"> ➢ 2010 legacy and flagship projects ➢ Human capital and community development
Eradicate extreme poverty and hunger	<ul style="list-style-type: none"> ➢ Infrastructure & sustainable services ➢ Human capital and community development ➢ Economic development ➢ Rural development
Combat HIV/AIDS, malaria and other diseases	<ul style="list-style-type: none"> ➢ Human capital and community development ➢ 2010 legacy and flagship projects ➢ Economic development
Ensure environmental sustainability	<ul style="list-style-type: none"> ➢ 2010 legacy and flagship projects
Promote gender equality and	<ul style="list-style-type: none"> ➢ Human capital and social development

empower women	➤ 2010 legacy and flagship projects
NATIONAL PRIORITIES	IDP PRIORITIES- MUNICIPAL RESPONSE
Corruption	➤ 2010 legacy and flagship projects
Education	➤ Human capital and community development
Health	➤ 2010 legacy and flagship projects
The fight against crime	➤ 2010 legacy and flagship projects ➤ Rural development
Creation of decent work & sustainable livelihoods	➤ Economic development ➤ Infrastructure & sustainable services ➤ 2010 legacy and flagship projects ➤ Rural development
Rural development, food security & land reform	➤ Economic development ➤ Infrastructure & sustainable services ➤ Human capital and community development ➤ Rural development
PROVINCIAL PRIORITIES	IDP PRIORITIES- MUNICIPAL RESPONSE
Agriculture	➤ Human capital and community development ➤ Economic development ➤ Rural development
Skills	➤ Human capital and community development ➤ Institutional development & transformation ➤ Infrastructure & sustainable services
Economic growth & job creation	➤ Economic development ➤ 2010 legacy and flagship projects ➤ Rural development
Strategic infrastructure	➤ 2010 legacy and flagship projects ➤ Infrastructure & sustainable services
Tourism, Environment & Cultural Heritage	➤ Human capital & community development ➤ Flagship projects ➤
Social cohesion	➤ Human capital and community development ➤ 2010 legacy and flagship projects
DISTRICT PRIORITIES	IDP PRIORITIES- MUNICIPAL RESPONSE
Basic service and infrastructure	➤ Infrastructure & sustainable services

development	
Local economic development	<ul style="list-style-type: none"> ➤ Economic development ➤ 2010 legacy and flagship projects
Institutional transformation and development	<ul style="list-style-type: none"> ➤ Institutional development and transformation ➤ 2010 legacy and flagship projects
Financial viability and management	<ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects ➤ Financial management and viability
Public participation and good governance	<ul style="list-style-type: none"> ➤ Institutional development and transformation ➤ 2010 legacy and flagship projects
Traditional leaders	<ul style="list-style-type: none"> ➤ Human capital and community development ➤ 2010 legacy and flagship projects

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the seven strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into six strategic focus areas/objectives as outlined below:

- To initiate a strong and sustainable Local/Regional Economic Development Potential and Sustainable Environmental Management
- To Strengthen the Delivery of Basic Services and ensure Sustained Integrated Human Settlement supported by Infrastructure Development
- To formulate a Broad Over-arching Human Capital and Community Development
- To build strong sustainable governance and institutional structures and arrangements
- To ensure legally sound financial viability and management
- To redefine strategic macro leadership and coordination structures involving the Local, District, Provincial and National Government

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the revision of the IDP, including:

- There was one standardized template used to collect information, where the communities identified their priorities, detailed problem statement and the specific section / village;

- During the consultation, communities were given an opportunity to identify key priority needs and suggest solutions;
- Diverse developmental needs in areas within each ward were noted during the Analysis phase
- Poor attendance in some wards during the consultation meetings has negative effects;
- Consultation with communities for their needs is not the analysis of needs; analysis requires further research, evaluation and a decision making process;
- Communities should be provided with maps of their areas during consultation process to assist the municipality in mapping social needs;
- Government departments and parastatals are not attending IDP meetings even though they are invited;
- Upon the approval of the IDP and Budget, each ward should receive information of all projects/programmes across the three spheres of government and other stakeholders that will be implemented in their respective wards;
- There is a need for an organized consultation process with sector departments from both the municipality and district perspective.

The 2015/16 – 2017/2018 draft budget and MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Choose name from list - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)										
Strategic Objective R thousand	Goal	Goal Code	Ref	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
				2011/12 Audited Outcome	2012/13 Audited Outcome	2013/14 Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16
To initiate a strong and sustainable Local/Regional Economic Development	Economic Development			40 198	41 002	43 462	55 605	58 385	58 385	61 888
Potential and sustainable Environmental Management										68 077
To strengthen the Delivery of Basic Services and ensure sustained Integrated Human Settlement supported by Infrastructure Development	Infrastructure & sustainable services			658 183	671 346	711 627	1 160 966	1 219 015	1 219 015	1 292 155
										1 421 371
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development			148 387	151 354	160 436	94 951	99 699	99 699	105 680
										116 248
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation			39 965	40 764	43 210	50 746	53 284	53 284	56 481
										62 129
To ensure legally sound Financial viability and Management	Financial management & viability			535 980	771 445	749 579	877 117	931 364	931 364	1 000 731
										1 081 177
Allocations to other priorities			2							1 199 268
Total Revenue (excluding capital transfers and contributions)				1	1 422 713	1 675 912	1 708 314	2 239 385	2 361 745	2 361 745
										2 516 936
										2 749 003
										3 050 554

Choose name from list - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand													
To initiate a strong and sustainable Local/Regional Economic Development	Economic Development			102 693	104 747	109 984	49 246	53 855	53 855	57 479	61 362	65 385	
To strengthen the Delivery of Basic Services and ensure sustained Integrated Human	Infrastructure & sustainable services			891 257	909 082	916 908	1 109 165	1 043 498	1 043 498	1 076 200	1 149 636	1 228 355	
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development			318 082	351 013	368 564	403 244	520 769	520 769	543 847	570 508	601 607	
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation			71 776	73 488	77 163	114 869	236 645	236 645	322 995	399 095	497 965	
To ensure legally sound Financial viability and Management	Financial management & viability			288 976	357 220	375 081	241 929	118 724	118 724	133 618	139 895	146 943	
Allocations to other priorities													
Total Expenditure				1	1 672 784	1 795 551	1 847 700	1 918 454	1 973 492	1 973 492	2 134 140	2 320 497	2 540 254

Choose name from list - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand													
Economic Development	Economic Development	A	16 316	16 349	9 097	3 737	3 924	3 924	24 140	37 029	50 616		
			B		-		-	-	-	-	-	-	
Infrastructure & sustainable services	Infrastructure & sustainable services	C	141 795	142 079	202 976	444 620	616 111	616 111	471 016	460 689	490 428		
			D	-	-		-	-	-				
Human capital & community development	Human capital & community development	E	35 592	35 663	6 591	45 603	47 883	47 883	28 197	34 442	45 769		
			F	-	-		-	-	-				
Institutional development & transformation	Institutional development & transformation	G	1 245	1 247	6 566	14 548	15 275	15 275	14 478	15 696	21 156		
			H	-	-		-	-	-				
Financial management & viability	Financial management & viability	I		41 394	5 511	14 010	14 710	14 710	6 939	9 978	14 649		
			J			-	-						
		K					-						
			L										
		M											
			N										
		O											
			P										
Allocations to other priorities		3											
Total Capital Expenditure		1	194 948	236 732	230 742	522 517	697 904	697 904	544 771	557 834	622 618		

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

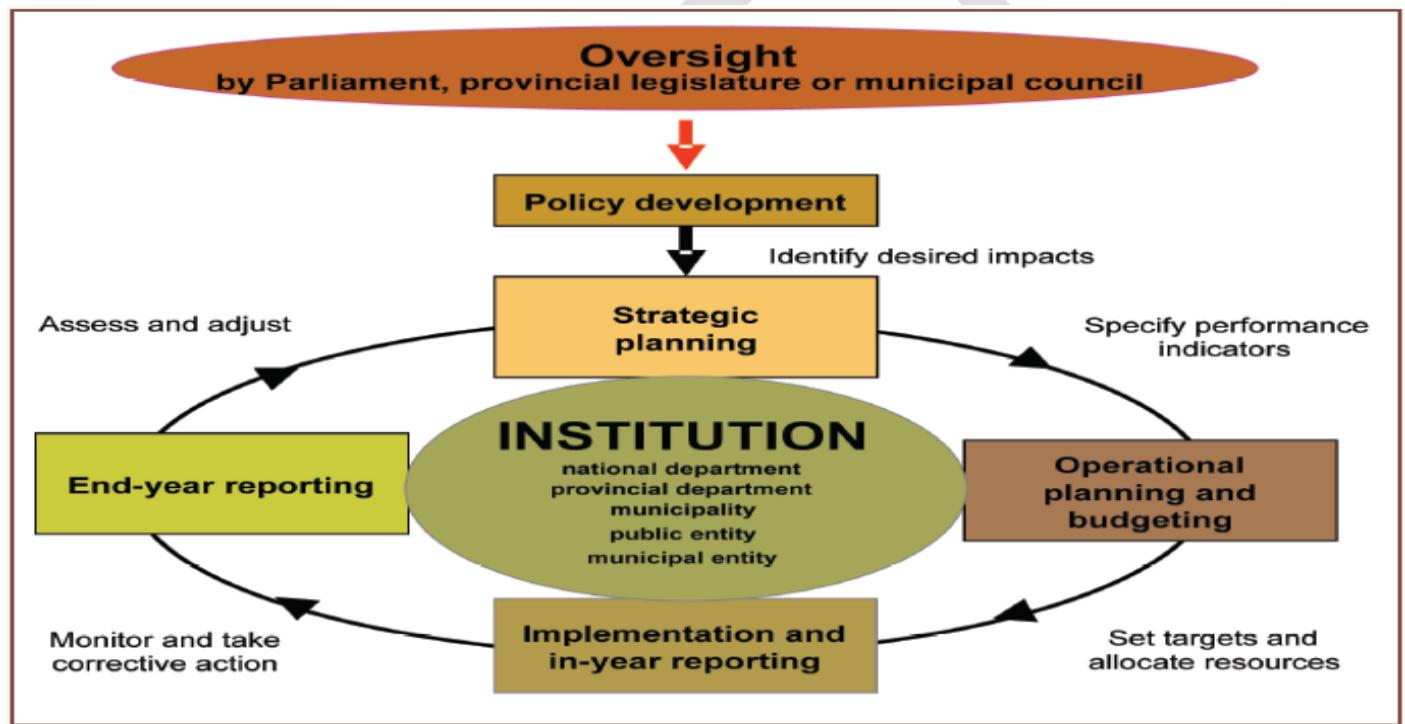


Figure 1 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);

- (e) Reporting (what information, to whom, from whom, how often and for what purpose); and
- (f) Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury.

The following table sets out the municipality's main performance objectives and benchmarks for the 2015/16 MTREF.

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MP322 Mbombela - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management											
Credit Rating		A2 za	A2 za	A2 za	A2 za	A2 za	A2 za	A2 za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.6%	4.4%	3.7%	3.6%	3.5%	3.5%	3.5%	3.4%	3.1%	2.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.6%	7.0%	5.8%	5.1%	5.1%	5.1%	5.1%	4.7%	4.3%	3.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	28.9%	22.1%	102.4%	76.6%	58.0%	58.0%	58.0%	32.9%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.4	0.3	0.3	1.7	0.6	0.6	0.6	1.0	1.4	1.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.4	0.3	0.3	1.7	0.6	0.6	0.6	1.0	1.4	1.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.0	0.1	1.2	0.3	0.3	0.3	0.8	1.2	1.6
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	90.9%	84.5%	89.9%	89.9%	97.0%	98.1%	98.1%	98.1%	99.7%	100.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		91.0%	84.5%	89.9%	90.5%	91.7%	91.7%	91.7%	99.7%	100.5%	101.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	12.0%	10.0%	10.6%	7.2%	5.9%	5.9%	5.9%	3.9%	3.4%	2.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	90.0%	90.0%	92.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Creditors to Cash and Investments		1191.8%	2447.4%	524.7%	56.6%	147.4%	147.4%	147.4%	66.7%	44.2%	34.6%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	68,214	69,587	50,038	45,034	45,034	45,034	45,034	40,531	36,478	32,830
	Total Cost of Losses (Rand '000)	31,000	39,665	34,526	31,074	31,074	31,074	31,074	27,966	25,170	22,626
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kft)										
	Total Cost of Losses (Rand '000)	916	990	1,271	1,144	1,144	1,144	1,144	1,029	926	834
	% Volume (units purchased and generated less units sold)/units purchased and generated	2,391	2,732	3,914	3,522	3,522	3,522	3,522	3,170	2,853	2,568
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.2%	27.7%	29.9%	28.0%	28.2%	28.2%	28.2%	25.6%	26.6%	27.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.6%	29.1%	31.6%	29.6%	29.8%	29.8%	29.8%	27.0%	27.9%	28.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	10.0%	10.2%	9.6%	6.9%	9.9%	9.9%	9.9%	8.6%	8.1%	7.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	25.1%	19.1%	17.6%	16.6%	15.1%	15.1%	15.1%	11.6%	10.7%	9.8%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	26.8	57.8	23.2	33.8	33.8	33.8	29.3	29.9	29.5	33.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services (Available cash + investments)/monthly fixed operational expenditure	18.8%	16.2%	16.0%	10.9%	8.9%	8.9%	8.9%	6.4%	5.5%	4.4%
iii. Cost coverage		0.4	0.2	0.8	2.4	1.1	1.1	1.1	2.1	2.9	3.7

2.3.1 Financial performance indicators and benchmarks

(a) Borrowing management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Mbombela Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2015/16 MTREF.

Borrowing to asset ratio is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. It can be noted that the borrowing asset ratio of Mbombela local municipality is increasing for the medium term.

Capital charges to operating expenditure are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has decreased significantly due to a non-current borrowing of R45 million approved for funding of 2015/16 capital expenditure.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2015/16 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

(b) Safety of Capital

The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves.

(c) Liquidity

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2015/16 MTREF the current ratio is 1.0 in the 2016/17 financial year and 1.4 and 1.8 for 2017/18. Going forward it will be necessary to maintain these levels or even more.

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2014/15 financial year the ratio was 0.3 and as part of the financial planning strategy it has been increased to 0.8 in the 2015/16 and increasing to 1.2 and 1.6 in 2017/18 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

(d) Revenue Management

As part of the financial sustainability strategy, the municipality has revised its revenue enhancement strategy and theme of the strategy is, “let us make revenue management everyone’s business in the municipality” we believe that through the aggressive implementation of the strategy framework, the financial stability in the short-term and sustainability in the long-term will be achieved. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

(e) Creditors Management

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100% compliance rate to this legislative obligation. This has had a favourable impact on suppliers’ perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality’s business.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2015/16 financial year 14,158 registered indigents will be provided for in the budget. In terms of the Municipality’s indigent policy registered households are entitled to 6kℓ fee water, 50 kwh of electricity, 6 kℓ sanitation and free waste removal equivalent to 85ℓ once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table A10 (Basic Service Delivery Measurement) .

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

2.3.3 Providing clean water and managing waste water

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

Minimum Green Drop certification standards. This has been prioritised as part of the 2015/16 medium term capital budget.

The following is briefly the main challenges facing the Municipality in this regard:

- (a) The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- (b) Shortage of skilled personnel makes proper operations and maintenance difficult;

- (c) Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and
- (d) There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- (a) Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- (b) The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training programme, especially for operational personnel;
- (c) The Electricity Division is to install dedicated power supply lines to the plants; and
- (d) The Division is working in consultation with the Department of Water Affairs to address catchment management.
- (e) Updating the infrastructure plan of the municipality.

2.4 OVERVIEW OF BUDGET RELATED-POLICIES

As required by law, the budgeting process is guided and governed by relevant legislations, framework and policies, all the budget related policies must be reviewed annually. Any amendments, additions or deletions have been tabled to Council for approval on 31 March 2015 as drafts.

Mbombela Local Municipality has reviewed the following Budget Related policies for the financial year 2015/16:

2.4.1 Virement policy

This is a policy that is designed to manage the shifting of funds within and between votes during a financial year. Its main objective is to give guidance to all relevant stakeholders on how to shift and manage funds within their budgets as per approved delegations.

The Municipal Budget and Reporting Regulations (No 3241) and Circular 51 issued by the National Treasury serve as guidelines in implementation of this policy.

2.4.2 Budget policy

The budget policy deals mainly with all matters regarding budget matters. It gives a direction on how all the processes should be followed. The legislative and compliance requirements in terms of time lines are also indicated in this policy.

2.4.3 Credit control and debt collection policy and by-laws

The policy is required in terms of chapter 9 of the Municipal Systems Act (MSA) no 32 of 2000 (s 95, 96, 97 and 98). A policy must be developed in order to provide for a mechanism on which credit control and debt collection measures will be effected. The guidelines required by the Act in terms of s 97(1)(a) – (i) must be clearly indicated in the policy.

Section 98 of the MSA further requires that Council must adopt by laws to give effect to the policy, its implementation and enforcement.

There following is the proposed amendments which need to be incorporated into the policy and or by-law which include amongst others:

- (a) Guideline on development of a policy dealing with deposit structure incorporated into the deposit policy
- (b) Profiling of customers
- (c) Categorisation of debtors
- (d) Collection of outstanding monies as per s118 of the Municipal Systems Act.

2.4.4 Economic investment and promotion policy

This policy is a newly developed policy from the Local Economic Development unit. Its major objective is to provide a framework for the uniform development of incentives in Mbombela Local Municipality that will assist to

- (a) attract investment.
- (b) return existing investment.
- (c) stimulate and create job opportunities.
- (d) support investment into IDP projects.

As per deliberations, it was agreed that proper enforcement of this policy will have positive and beneficial impact to the municipality. The proposed types of incentives were also looked at and it was then agreed that a phased approach as per the provisions of the Municipal Property Rates Act No 6 of 2004. These provisions are outlined in the Mbombela Local Municipality Property Rates By Law in terms of section 9.4.1(b).

2.4.5 Investment policy

This policy gives effect to the requirements as set out on s 13(2) of the Municipal Finance Management Act no 56 of 2003 and the Municipal Investment Regulations (Gazette 2743) of April 2005. All investment related practices are guided by the implementation of this policy. It clearly outlines the roles and responsibilities of all role players in the management of the cash resources.

After deliberations during the workshop it was resolved that no proposed amendments.

2.4.6 Funding and reserves policy

The provisions of the funding and reserves policy are incorporated into the budget policy.

2.4.7 Indigent policy

The department of Cooperative Governance and Traditional Authorities has issued a guideline on formulation of Indigent Policy. This guideline has been used in developing the Indigent Policy for Mbombela Local Municipality.

EPWP initiatives form part of this indigent policy in job creation for the indigents. The linkage of the Supply Chain Management policy to the Indigent policy must be seriously considered as well as LED policy.

2.4.8 Payroll discrepancy policy

A policy has been developed in terms of the Basic Conditions of Employment Act No 75 of 1997 s34 (5)(a):

The policy has been developed and its main objectives are:

- (a) To establish policy and procedures for identifying, correcting and recovering salary overpayments and correcting underpayments
- (b) To ensure consistent application of actions taken when implementing the policy
- (c) Establish control measures to mitigate the risk of overpayments and early detection should such occur whether due to human error, technological failure or fraudulent activities.

2.4.9 Supply chain management policy

Chapter 11 of the Municipal Finance Management Act No 50 of 2003 deals with Goods and Services. In terms of Section 111, each municipality must have and implement a Supply Chain Management policy which gives effect to provisions of this part of the Act.

In August 2005, National Treasury issued Circular 22, Supply Chain Management Model policy. This model policy has been developed to be fully compliant with MFMA.

2.4.10 Supplier performance monitoring policy

No amendments have been made on this policy.

2.4.11 Contract management policy

This policy is linked to the supplier performance monitoring policy. It has been developed in terms of s 116(2) of the MFMA. The lack of proper contract management or consistent application of contract management necessitated the development of this policy.

A dedicated unit in the SCM sub directorate with the assistance of the Legal Services within Council will be the key custodians of the policy. The Project Managers and user departments will in terms of the policy be accountable for the specific project whilst it is underway and will work closely with the Contract Management unit to ensure compliance to the policy.

2.4.12 Property rates policy and by law

The Municipal Property Rates Act no 6 of 2004 provides a framework to which municipalities must comply when imposing rates on properties. S 62 of the MFMA requires that the accounting officer must ensure that the municipality has and implements a rates policy embodied in a bylaw as per s 6 of the MPRA.

In the implementation of the above property rates by law was gazetted on 21 July 2010 as provincial gazette no 1841. As required by law annually the policy needs to be reviewed, the following changes are proposed:

- (a) A condition must be applied, which says that special consent use approved in terms of the applicable town planning schemes be referred to as residential property with special consent
- (b) On rates clearance application, the purchaser should be made aware of the outstanding debt and liability of the debt remaining on the property in terms of s118 of the Municipal Systems Act.
- (c) The rates policy must be aligned to the Municipal Property Rates Act.

2.4.13 Tariff policy and by law

Section 74 of the Municipal Systems Act no 32 of 2000, provides a framework on the formulation of a tariff policy. This policy together with the by law adopted in terms of Section 75 are part of the budget related policies that must be reviewed annually. A tariff policy consistent with the provisions of the Act has been developed the following amendments changes are proposed;

- (a) Percentage or determination thereof of takings which council will charge be mentioned in the policy
- (b) Fees / rental charges for municipal properties to third parties be reviewed. Rental charges of properties be determined through a formal valuation process by the municipal valuer to determine market relatedness.
- (c) All new and expired rentals be charged in accordance with the determined market related values
- (d) Investigation on special tariffs for schools, churches, charities and other qualifying non-profit organisations

2.4.14 Asset management policy

The safeguarding and maintenance of assets, valuation in accordance with GRAP, maintaining a system of internal control and keeping an asset register are key elements of the Asset Management Framework. In order to ensure above is done in a consistent and legally compliant manner, a policy directive needs to be adopted.

The municipality has recently completed an exercise where the asset base of the municipality was properly quantified and a GRAP compliant asset register completed. An asset management policy is therefore critical as it will ensure that all relevant stakeholders and role players understand their roles and responsibilities.

2.4.15 Insurance policy

The main objective of the insurance policy is to:

- (a) Create awareness to all employees of the risks associated with all insurable interests
- (b) Ensure reasonable steps are taken to mitigate and minimise all risks
- (c) Identify all potential risks and enforce risk control measures
- (d) Minimise losses by ensuring proper management control housekeeping and maintenance of assets

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

2.5.1 External factors

Unemployment remains very high and escalating according to the latest unemployment statistics released by Statistics South Africa.

The consequence of slow economic growth and deterioration of the labour market (increase in unemployment rate) will be felt by the municipalities in terms of expectation on revenue growth and cash flows. And therefore a conservative approach will need to be adopted when projections are made for expected revenues cash receipts in the next medium-term.

The consumer price inflation is expected to stay within the 3 to 6 per cent inflation target band over the forecast period. The forecasted headline inflation for medium-term will be as follows;

Description	2014 Actual	2015 Actual	2016 Estimate	2017 Forecast	2018 Forecast
Inflation Outlook	5.6%	6.2%	5.8%	5.5%	5.3%

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2015/16 MTREF no borrowings will be sourced.

2.5.4 Collection rate for revenue services

The payment level trend for the past three years, including current financial year until to date is as follows;

Description	Actual 2012/13	Actual 2013/14	Estimate 2014/15	Estimate 2015/16	Forecast 2016/17	Forecast 2017/18
Payment Levels	93%	95%	93%	95%	95%	95%

2.5.5 Growth or decline in tax base of the municipality

Despite the global economy weaknesses and projected to be likely to remain so for at least a few more years, the South African economic growth outlook in 2014 to 2018 is expected to be as follows;

Headline inflation forecast over the medium-term

Description	2014 Actual	2015 Actual	2016 Estimate	2017 Forecast	2018 Forecast
Real GDP	2.2%	1.4%	2.0%	2.4%	3.0%

The municipality has revised a revenue enhancement strategy to respond to the challenges encountered by the municipality in revenue generation and collection. The strategy seeks to ensure that there is improvement in payment levels, cash flow and recovery of outstanding debt through the twelve point plan. The revised strategy has been approved by the municipal council on 25 October 2011 and it is believed that through the making revenue management everyone's business in the municipality, the fundamental objectives of the strategy will be achieved.

2.5.6 Salary increases

The employees' remuneration cost will amount to R541 million in 2015/2016 financial year due to an annual increase of R29 million (6%) and R20 million for filling of critical vacant positions. The employee cost to the total operating expenditure budget is 27 per cent. The employees remuneration cost will increase to R618 million in 2017/2018 financial year and the expenditure to the total operating budget will be 29 per cent.

2.5.7 Micro or internal environment perspective

Furthermore from macro environment perspective, and the unfavourable economic conditions more of our people are unemployed which result in shrinking of the current revenue base putting pressure on the current municipal revenue and cashflow over the medium-term over the slow economic growth trends reflect that a convergence of unfavourable global and domestic circumstances of which impact negatively on all spheres of government. The revenue base of the municipality is under pressure as no new revenues are derived at the moment due to the slow economic growth and local circumstances.

As a consequence of the distress economy, the municipality was advised by National Treasury to adopt a conservative approach when projecting the revenue and cashflow for the medium term due to unfavorable and unstable economic conditions and rising inflationary pressures, and the slow growth pace on global and national economy.

On the expenditure side - careful analysis and evaluation of the current spending patterns need to be conducted so that the allocation of funds in the next medium-term is in line with the key municipal priorities and non-priority spending is eliminated (austerity measures need to be implemented).

2.5.8 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- (a) Creating jobs;
- (b) Enhancing education and skill development;
- (c) Improving Health services;
- (d) Rural development and agriculture; and
- (e) Fighting crime and corruption.

To achieve this national priority, municipalities are urged to when drafting 2015/2016 budgets to continue explore opportunities to promote labour intensive approaches to delivering services, and more particularly to participate fully in the EPWP. However, municipalities should not carelessly employ more people

without any reference and consideration to the level of staffing required delivering effective services. Municipalities should focus on maximizing its contribution to job creation by;

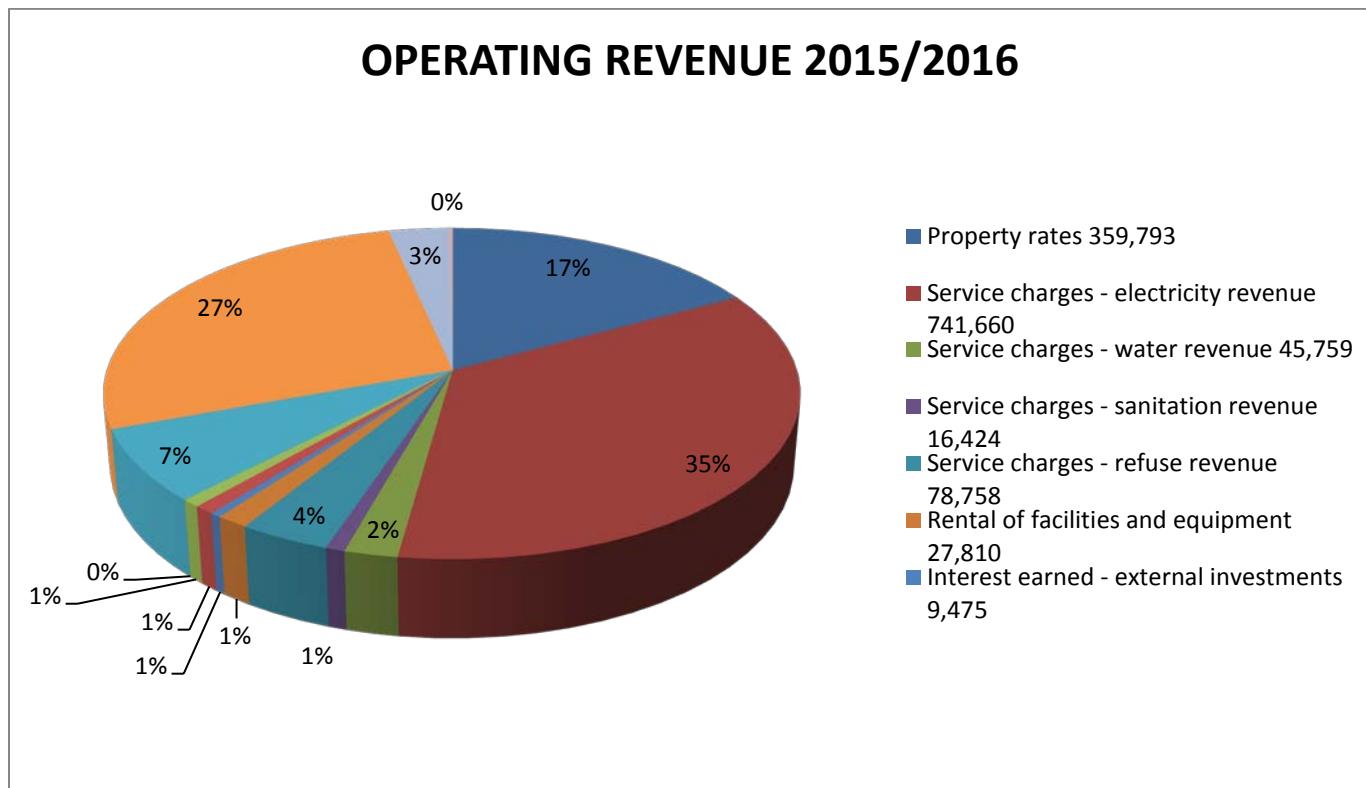
- Ensuring that service delivery and capital project use labour intensive methods wherever appropriate.
- Ensuring that service providers use labour intensive approaches.
- Supporting labour intensive Local Economic Development projects.
- Participating fully in the Expanded Public Works Programmes/National youth service plan.
- Implementing interns programmes to provide young people with on-the-job training.

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2.6 OVERVIEW OF BUDGET FUNDING

2.6.1 Medium-term outlook: operating revenue

The following graph is a breakdown of the operational revenue per revenue source for the 2015/16 financial year.



Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, wage agreements with unions (Labour), input costs of services provided by the municipality, local economic conditions and the affordability of services taking into consideration the municipality's indigent policy were taken into consideration.

The percentage increases of both Eskom and SembCorp (Silulumanzi) Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

The revenue strategy is a function of key components such as:

- (a) Growth in the city and economic development;
- (b) Revenue management and enhancement;
- (c) Achievement of a 95% annual collection rate on revenue from rates and services charge;
- (d) National Treasury guidelines;
- (e) Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- (f) Achievement of full cost recovery of specific user charges;
- (g) Determining tariff escalation rate by establishing/calculating revenue requirements;
- (h) The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- (i) And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2015/16 MTREF on the different revenue categories are:

Description	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Proposed	2016/17 Forecast	2017/18 Forecast
Electricity	12.0%	8.0%	8.06%	12.20%	12.20%	12.20%
Water	9.75%	8.0%	8.5%	38.0%	37.0%	35.0%
Sewer	9.75%	8.0%	8.5%	-18.0%	-18.0%	-18.0%
Refuse Removal	10.25%	9.50%	10.0%	8.0%	8.4%	8.8%
Property Rates	6.5%	6.5%	0.0%	6.0%	6.0%	6.0%
Other tariffs	11.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Sembcorp Water and Sewerage – Domestic users	10.42%	9.0% - 13.5%	10.33%	10.31%	CPI + 3%	CPI + 3%
Sembcorp Water and Sewerage – Business users	10.42%	9.0% - 18.0%	10.33%	10.31%	CPI + 3%	CPI + 3%

2.6.2 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

2.6.4 Funding Compliance measures

The cash and cash equivalents as reflected on table A7 indicates that the municipality will have positive cash balance at the end of the financial year which is an indication of the minimum requirement as required by MFMA. The forecasted cash and cash equivalents for the Medium Term period is R 310 million, R 470 million and R 666 million for each year respectively.

2.6.5 Cash and cash equivalent position

The City's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2015/16 MTREF shows 310 million, R470 million and R666 million for each respective financial year.

2.6.6 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table A8. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.7 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under financial setbacks/risk from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts municipalities improving cash position causes the ratio to move upwards one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward. For the 2014/15 MTREF the indicative outcome shows that the municipality will be able to have cash for 2.1 increasing to 3.7 in 2017/18 which is above the norm of 1 to 3.

2.6.8 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2015/16 MTREF the indicative outcome is a surplus of R383 million, R429 million and R510 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.9 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

2.6.10 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 99.7 per cent, 100.5 per cent and 101.2 per cent for each of the respective financial years. Given that the assumed collection rate is based on a 95 per cent performance target, the cash flow statement has been conservatively determined.

2.6.11 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 6 per cent, 5 per cent and 4 per cent over the MTREF.

2.6.12 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.13 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 32 per cent and no planned borrowings in the outer years.

2.6.14 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.15 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are two measures shown for this factor; the change in current debtors and the

change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality policy of settling debtors' accounts within 30 days.

2.6.16 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because of a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.17 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

2.7 BUDGET SUPPORTING TABLES

MP322 Mbombela - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

MP322 Mbombela - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	389,231	418,218	459,897	263,520	272,651	272,651	272,651	299,916	341,905	389,771
Pension and UIF Contributions					65,184	65,184	65,184	65,184	71,702	81,740	93,184
Medical Aid Contributions					21,796	21,796	21,796	21,796	23,975	27,332	31,158
Overtime					42,460	42,460	42,460	42,460	45,844	53,827	60,331
Performance Bonus					-	-	-	-	-	-	-
Motor Vehicle Allowance					22,680	22,680	22,680	22,680	24,948	28,441	32,422
Cellphone Allowance					2,047	2,047	2,047	2,047	2,251	2,567	2,926
Housing Allowances					2,633	2,633	2,633	2,633	2,897	3,302	3,764
Other benefits and allowances					44,539	44,539	44,539	44,539	48,993	55,852	63,671
Payments in lieu of leave					2,198	2,198	2,198	2,198	2,418	2,756	3,142
Long service awards					925	925	925	925	1,018	1,160	1,323
Post-retirement benefit obligations	4				15,462	15,462	15,462	15,462	17,008	19,389	22,103
<i>sub-total</i>	5	389,231	418,218	459,897	483,443	492,574	492,574	492,574	540,969	618,270	703,797
<i>Less: Employees costs capitalised to PPE</i>									-	-	-
Total Employee related costs	1	389,231	418,218	459,897	483,443	492,574	492,574	492,574	540,969	618,270	703,797
Contributions recognised - capital											
<i>List contributions by contract</i>		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property , Plant & Equipment		291,288	240,802	217,955	234,411	211,098	211,098	211,098	191,056	197,235	203,613
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	291,288	240,802	217,955	234,411	211,098	211,098	211,098	191,056	197,235	203,613
Bulk purchases											
Electricity Bulk Purchases		369,832	419,565	437,831	440,290	446,682	446,682	446,682	524,375	594,654	679,333
Water Bulk Purchases					5,906	-	-	-			
Total bulk purchases	1	369,832	419,565	437,831	446,195	446,682	446,682	446,682	524,375	594,654	679,333
Transfers and grants											
Cash transfers and grants		-	25,874	23,707	138,363	148,697	148,697	148,697	120,039	119,515	133,516
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	25,874	23,707	138,363	148,697	148,697	148,697	120,039	119,515	133,516

MP322 Mbombela - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
EXPENDITURE ITEMS:											
<u>Contracted services</u>											
<i>List services provided by contract</i>		168,686	206,545	244,594							
<i>Stadium management</i>		-	-	-	10,813	10,813	10,813	10,813	16,616	17,459	
<i>Landfill Site</i>		-	-	-	-	-	-	-	8,539	8,972	
<i>Legal Services</i>		-	-	-	-	-	-	-	6,450	6,778	
<i>Information Technology (IT) Services</i>		-	-	-	9,981	9,981	9,981	9,981	11,588	12,176	
<i>Meter reading services</i>		-	-	-	3,174	3,174	3,174	3,174	3,335	3,505	
<i>Solid Waste Services</i>		-	-	-	15,095	15,095	15,095	15,095	7,234	7,601	
<i>Security Services</i>		-	-	-	27,784	27,784	27,784	27,784	28,951	30,420	
<i>Other Services</i>		-	-	-	63,277	135,629	135,629	135,629	130,599	135,750	
<i>Special IDP Projects</i>		-	-	-	88,079	88,079	88,079	88,079	125,452	131,429	
sub-total	1	168,686	206,545	244,594	218,204	290,556	290,556	290,556	338,764	354,090	365,667
Allocations to organs of state:											
<i>Electricity</i>		-	-	-	-	-	-	-	-	-	
<i>Water</i>		-	-	-	-	-	-	-	-	-	
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-	
<i>Other</i>		-	-	-	-	-	-	-	-	-	
Total contracted services		168,686	206,545	244,594	218,204	290,556	290,556	290,556	338,764	354,090	365,667
Other Expenditure By Type											
<i>Collection costs</i>		3,920	3,078	3,209	3,600	-	-	-	6,399	5,247	
<i>Contributions to 'other' provisions</i>						3,600	3,600	3,600	-	-	
<i>Consultant fees</i>		6,259	-		280	-	-	-	-	-	
<i>Audit fees</i>		4,132	-		4,573	-	-	-	6,474	6,803	
<i>General expenses</i>	3	325,920	330,005	317,441		4,573	4,573	4,573	-	-	
<i>List Other Expenditure by Type</i>						-	-	-	-	-	
<i>Licences fees - computer software</i>						2,964	2,964	2,964	3,201	3,585	
<i>Telephone</i>						4,388	4,388	4,388	4,739	5,308	
<i>SALGA Membership fees</i>						2,964	4,786	4,786	5,169	5,789	
<i>Internal Audit - Outsource</i>						4,388	2,578	2,578	2,785	3,119	
<i>Insurance</i>						4,786	6,799	6,799	7,343	8,224	
<i>Insurance - WCA</i>						2,578	2,382	2,382	2,572	2,881	
<i>Conditional Grants (MFG, MSIG etc.)</i>						6,799	2,567	2,567	2,772	3,105	
<i>Bank Charges</i>						2,382	2,417	2,417	2,611	2,924	
<i>Skills Development Levy</i>						2,567	4,187	4,187	4,522	5,064	
<i>Training</i>						2,417	3,778	3,778	4,081	4,570	
<i>Provincial Motor Vehicle Licence Fees</i>						4,187	64,802	64,802	69,986	78,384	
<i>Water and Sewerage - Concession Area</i>						3,778	9,908	9,908	10,700	11,984	
<i>Electricity - Eskom</i>						64,802	-	-	-	-	
<i>IDP Projects</i>						9,908	39,473	39,473	39,473	41,971	
<i>Other Expenditure</i>						15,952	-	7,300	7,300	26,548	
<i>Customer Payment Discount</i>						-	-	-	11,803	13,248	
Total 'Other' Expenditure	1	340,231	334,844	336,602	174,187	166,501	166,501	166,501	211,467	228,754	
Repairs and Maintenance by Expenditure Item	8										
<i>Employee related costs</i>		-	-	-	-	-	-	-	-	-	
<i>Other materials</i>		-	-	-	-	-	-	-	-	-	
<i>Contracted Services</i>		-	-	-	-	-	-	-	-	-	
<i>Other Expenditure</i>		133,564	133,783	148,020	119,283	172,915	172,915		181,561	188,872	197,407
Total Repairs and Maintenance Expenditure	9	133,564	133,783	148,020	119,283	172,915	172,915	-	181,561	188,872	197,407

MP322 Mbombela - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 -	Vote 2 -	Vote 3 -	Vote 4 -	Vote 5 -	Vote 6 -	Vote 7 -	Vote 8 -	Vote 9 -	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
		COUNCIL	COUNCIL SUPPORT	PLANNING, P. ERFORMAM NCE & NCE & PLANNING	MUNICIPAL MANAGER	MUNICIPAL MANAGER	DEPUTY	FINANCIAL SERVICES	L	TRANSVERA	CORPORATE SERVICES	COMMUNITY SERVICES	MUNICIPAL PLANNING & DEVELOPMEN	INFRASTRU	WATER & SANITATION	[NAME OF VOTE 13]	[NAME OF VOTE 14]
R thousand	1																
<u>Revenue By Source</u>																	
Property rates	-	-	-	-	-	-	529,175	-	-	-	-	-	-	-	-	-	529,175
Property rates - penalties & collection charges	-	-	-	-	-	-	(169,383)	-	-	-	-	-	-	-	-	-	(169,383)
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	741,660	-	-	-	-	741,660
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	24,899	-	-	-	24,899
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	16,301	-	-	-	16,301
Service charges - refuse revenue	-	-	-	-	-	-	-	-	78,758	-	-	-	-	-	-	-	78,758
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	27,810	-	-	-	-	-	-	-	27,810
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	27,477	-	-	-	-	-	-	-	-	-	-	27,477
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	15,811	-	-	-	-	-	-	15,811
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	150,436	-	-	-	-	-	-	150,436
Other revenue	-	-	-	-	-	20,983	-	256	44,156	2,918	8,494	11,487	-	-	-	-	88,295
Transfers recognised - operational	-	-	-	-	-	567,815	-	-	6,899	-	-	-	-	-	-	-	574,714
Gains on disposal of PPE	-	-	-	-	-	4,390	-	-	-	-	-	-	-	-	-	-	4,390
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	-	980,459	-	256	323,870	2,918	750,154	52,687	-	-	-	-	2,110,344
<u>Expenditure By Type</u>																	
Employee related costs	7,138	9,911	30,497	5,029	6,577	62,168	-	83,774	216,682	30,497	74,459	-	-	-	-	-	526,732
Remuneration of councillors	29,411	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,411
Debt impairment	-	-	-	-	-	1,971	18,874	-	16,172	40,265	-	13,127	-	-	-	-	90,408
Depreciation & asset impairment	81	297	485	26	-	8,072	-	4,028	80,867	469	76,313	-	-	-	-	-	170,638
Finance charges	-	-	1,331	-	-	891	-	-	26,763	1,331	2,623	-	-	-	-	-	32,939
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	467,630	-	-	-	-	467,630
Other materials	105	147	22	-	44	151	-	298	16,774	22	27,294	-	-	-	-	-	44,857
Contracted services	3	108	22	4,209	-	24,404	-	27,531	84,179	791	387,898	-	-	-	-	-	529,145
Transfers and grants	-	-	-	-	-	2,981	-	-	972	-	49,846	-	-	-	-	-	53,800
Other expenditure	4,726	2,289	1,757	5,667	9,871	23,564	-	26,582	75,608	1,757	3,070	33,688	-	-	-	-	188,579
Loss on disposal of PPE	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1
Total Expenditure	41,463	12,753	34,114	14,932	18,463	141,106	-	158,384	542,110	34,867	1,102,261	33,688	-	-	-	-	2,134,140
Surplus/(Deficit)	(41,463)	(12,753)	(34,114)	(14,932)	(18,463)	839,353	-	(158,128)	(218,240)	(31,949)	(352,107)	19,000	-	-	-	-	(23,796)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	406,592	-	-	-	-	-	406,592
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(41,463)	(12,753)	(34,114)	(14,932)	(18,463)	839,353	-	(158,128)	(218,240)	(31,949)	54,485	19,000	-	-	-	-	382,796

MP322 Mbombela - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days											
Other current investments > 90 days											
Total Call investment deposits	2	-	-	-	-	-	-	-	-	-	
Consumer debtors											
Consumer debtors		198,431	111,477	106,211	554,668	100,403	100,403	100,403	76,585	74,327	66,894
<i>Less: Provision for debt impairment</i>		(132,236)	-		(447,222)	-	-	-			
Total Consumer debtors	2	66,194	111,477	106,211	107,447	100,403	100,403	100,403	76,585	74,327	66,894
Debt impairment provision											
Balance at the beginning of the year					346,923	-	-	-			
Contributions to the provision					100,298	-	-	-			
Bad debts written off					-	-	-	-			
Balance at end of year		-	-	-	447,222	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		6,557,274	5,131,021	5,151,359	7,723,365	5,304,088	5,304,088	5,304,088	5,542,220	5,833,546	6,209,932
Leases recognised as PPE						-					
<i>Less: Accumulated depreciation</i>		1,362,718	-		1,845,757	-	-	-	-	-	-
Total Property, plant and equipment (PPE)	2	5,194,556	5,131,021	5,151,359	5,877,608	5,304,088	5,304,088	5,304,088	5,542,220	5,833,546	6,209,932
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		15,385	14,260	16,017	17,406	16,828	16,828	16,828	18,600	20,560	23,451
Total Current liabilities - Borrowing		15,385	14,260	16,017	17,406	16,828	16,828	16,828	18,600	20,560	23,451
Trade and other payables											
Trade and other creditors		426,556	478,673	504,266	175,614	226,738	226,738	226,738	206,413	207,689	230,125
Unspent conditional transfers		104,132	138,521	295,056	51,123	201,361	201,361	201,361	142,233	134,922	142,137
Total Trade and other payables	2	530,688	623,103	799,321	226,738	428,099	428,099	428,099	348,647	342,612	372,262
Non current liabilities - Borrowing											
Borrowing		202,892	189,428	225,069	363,887	313,504	313,504	313,504	339,393	318,833	295,382
Finance leases (including PPP asset element)		154,158	-	1,448							
Total Non current liabilities - Borrowing		357,050	189,428	226,517	363,887	313,504	313,504	313,504	339,393	318,833	295,382
Provisions - non-current											
Retirement benefits			-								
<i>List other major provision items</i>											
Employee benefit obligation		81,136	141,544	172,676	81,902	183,037	183,037	183,037	194,019	205,660	218,000
Other		30,626	80,443	86,401	30,520	95,905	95,905	95,905	106,160	117,838	130,800
Total Provisions - non-current		111,762	221,987	259,077	112,422	278,942	278,942	278,942	300,179	323,498	348,800
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		4,991,350	4,716,670	4,597,030	5,639,833	4,457,810	4,457,810	4,457,810	4,846,064	5,228,860	5,657,366
GRAP adjustments			-			-	-	-	-	-	-
Restated balance		4,991,350	4,716,670	4,597,030	5,639,833	4,457,810	4,457,810	4,457,810	4,846,064	5,228,860	5,657,366
Surplus/(Deficit)		(250,071)	(119,639)	(139,386)	335,637	388,254	388,254	388,254	382,796	428,505	510,300
Appropriations to Reserves						-					
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	4,741,279	4,597,030	4,457,644	5,975,470	4,846,064	4,846,064	4,846,064	5,228,860	5,657,366	6,167,665
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	4,741,279	4,597,030	4,457,644	5,975,470	4,846,064	4,846,064	4,846,064	5,228,860	5,657,366	6,167,665

MP322 Mbombela - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable Environmental Management	Economic Development			40,198	41,002	43,462	55,605	58,385	58,385	61,888	68,077	75,566
To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Settlement supported by Infrastructure Development	Infrastructure & sustainable services			658,183	671,346	711,627	1,160,966	1,219,015	1,219,015	1,292,155	1,421,371	1,577,722
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development			148,387	151,354	160,436	94,951	99,699	99,699	105,680	116,248	129,036
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation			39,965	40,764	43,210	50,746	53,284	53,284	56,481	62,129	68,963
To ensure legally sound Financial viability and Management	Financial management & viability			535,980	771,445	749,579	877,117	931,364	931,364	1,000,731	1,081,177	1,199,268
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)	1	1,422,713	1,675,912	1,708,314	2,239,385	2,361,745	2,361,745	2,516,936	2,749,003	3,050,554		

MP322 Mbombela - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

MP322 Mbombela - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
Economic Development	Economic Development	A		16,316	16,349	9,097	3,737	3,924	3,924	24,140	37,029	50,616
		B				-	-	-	-	-	-	-
Infrastructure & sustainable services	Infrastructure & sustainable services	C		141,795	142,079	202,976	444,620	616,111	616,111	471,016	460,689	490,428
		D		-	-	-	-	-	-	-	-	-
Human capital & community development	Human capital & community development	E		35,592	35,663	6,591	45,603	47,883	47,883	28,197	34,442	45,769
		F		-	-	-	-	-	-	-	-	-
Institutional development & transformation	Institutional development & transformation	G		1,245	1,247	6,566	14,548	15,275	15,275	14,478	15,696	21,156
		H		-	-	-	-	-	-	-	-	-
Financial management & viability	Financial management & viability	I			41,394	5,511	14,010	14,710	14,710	6,939	9,978	14,649
		J				-	-	-	-	-	-	-
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities		3										
Total Capital Expenditure		1		194,948	236,732	230,742	522,517	697,904	697,904	544,771	557,834	622,618

MP322 Mbombela - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management											
Credit Rating		A2 za	A2 za	A2 za	A2 za	A2 za	A2 za	A2 za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.6%	4.4%	3.7%	3.6%	3.5%	3.5%	3.5%	3.4%	3.1%	2.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.6%	7.0%	5.8%	5.1%	5.1%	5.1%	5.1%	4.7%	4.3%	3.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	28.9%	22.1%	102.4%	76.6%	58.0%	58.0%	58.0%	32.9%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.4	0.3	0.3	1.7	0.6	0.6	0.6	1.0	1.4	1.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.4	0.3	0.3	1.7	0.6	0.6	0.6	1.0	1.4	1.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.0	0.1	1.2	0.3	0.3	0.3	0.8	1.2	1.6
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	90.9%	84.5%	89.9%	89.9%	97.0%	98.1%	98.1%	98.1%	99.7%	100.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		91.0%	84.5%	89.9%	90.5%	91.7%	91.7%	91.7%	99.7%	100.5%	101.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	12.0%	10.0%	10.6%	7.2%	5.9%	5.9%	5.9%	3.9%	3.4%	2.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	90.0%	90.0%	92.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Creditors to Cash and Investments		1191.8%	2447.4%	524.7%	56.6%	147.4%	147.4%	147.4%	66.7%	44.2%	34.6%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	68,214	69,587	50,038	45,034	45,034	45,034	45,034	40,531	36,478	32,830
	Total Cost of Losses (Rand '000)	31,000	39,665	34,526	31,074	31,074	31,074	31,074	27,966	25,170	22,626
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)	916	990	1,271	1,144	1,144	1,144	1,144	1,029	926	834
	% Volume (units purchased and generated less units sold)/units purchased and generated	2,391	2,732	3,914	3,522	3,522	3,522	3,522	3,170	2,853	2,568
Employee costs	Employee costs/Total Revenue - capital revenue)	29.2%	27.7%	29.9%	28.0%	28.2%	28.2%	28.2%	25.6%	26.6%	27.1%
Remuneration	Total remuneration/Total Revenue - capital revenue)	30.6%	29.1%	31.6%	29.6%	29.8%	29.8%	29.8%	27.0%	27.9%	28.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	10.0%	10.2%	9.6%	6.9%	9.9%	9.9%	9.9%	8.6%	8.1%	7.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	25.1%	19.1%	17.6%	16.6%	15.1%	15.1%	15.1%	11.6%	10.7%	9.8%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	26.8	57.8	23.2	33.8	33.8	33.8	29.3	29.9	29.5	33.3
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services (Available cash + Investments)/monthly fixed operational expenditure	18.8%	16.2%	16.0%	10.9%	8.9%	8.9%	8.9%	6.4%	5.5%	4.4%
iii. Cost coverage		0.4	0.2	0.8	2.4	1.1	1.1	1.1	2.1	2.9	3.7

MP322 Mbombela - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			
						Outcome	Outcome	Outcome		Original Budget	Outcome	Outcome	Outcome
Demographics						527	527	589	589	589	589	589	589
Population						-	-	-	-	87	87	87	87
Females aged 5 - 14						-	-	-	-	89	89	89	89
Males aged 5 - 14						-	-	-	-	187	187	187	187
Females aged 15 - 34						-	-	-	-	201	201	201	201
Males aged 15 - 34						-	-	-	-	64	64	64	64
Unemployment						-	-	-	-	-	-	-	-
Monthly household income (no. of households)	1, 12					-	21,006	21,006	21,006	21,006	21,006	21,006	21,006
No income						-	50,210	50,210	50,210	50,210	50,210	50,210	50,210
R1 - R1 600						-	33,354	33,354	33,354	33,354	33,354	33,354	33,354
R1 601 - R3 200						-	21,498	21,498	21,498	21,498	21,498	21,498	21,498
R3 201 - R6 400						-	14,105	14,105	14,105	14,105	14,105	14,105	14,105
R6 401 - R12 800						-	11,066	11,066	11,066	11,066	11,066	11,066	11,066
R12 801 - R25 600						-	7,170	7,170	7,170	7,170	7,170	7,170	7,170
R25 601 - R51 200						-	2,293	2,293	2,293	2,293	2,293	2,293	2,293
R52 201 - R102 400						-	592	592	592	592	592	592	592
R102 401 - R204 800						-	473	473	473	473	473	473	473
R204 801 - R409 600						-	4	4	4	4	4	4	4
R409 601 - R819 200						-	-	-	-	-	-	-	-
> R819 200						-	-	-	-	-	-	-	-
Poverty profiles (no. of households)	13					-	-	-	-	71216.00	71216.00	71216.00	71216.00
< R2 060 per household per month	2					-	-	-	-	-	-	-	-
Insert description						-	-	-	-	-	-	-	-
Household/demographics (000)						476,593	527,203	527	589	589	589	601	613
Number of people in municipal area						-	297,760	-	-	-	-	-	-
Number of poor people in municipal area						-	112,226	112,226	-	-	-	-	-
Number of households in municipal area						-	-	-	-	-	-	-	-
Number of poor households in municipal area						-	-	-	-	-	-	-	-
Definition of poor household (R per month)						2,040	2,040	-	-	-	-	-	-
Housing statistics	3					-	-	-	-	-	-	-	-
Formal						-	-	-	-	-	-	-	-
Informal						-	-	-	-	-	-	-	-
Total number of households	4					-	-	-	-	-	-	-	-
Dwellings provided by municipality						-	-	-	-	-	-	-	-
Dwellings provided by province/s						-	-	-	-	-	-	-	-
Dwellings provided by private sector	5					-	-	-	-	-	-	-	-
Total new housing dwellings						-	-	-	-	-	-	-	-
Economic	6					-	-	-	-	-	-	-	-
Inflation/inflation outlook (CPIX)						-	-	-	-	-	-	-	-
Interest rate - borrowing						-	-	-	-	-	-	-	-
Interest rate - investment						-	-	-	-	-	-	-	-
Remuneration increases						-	-	-	-	-	-	-	-
Consumption growth (electricity)						-	-	-	-	-	-	-	-
Consumption growth (water)						-	-	-	-	-	-	-	-
Collection rates	7					-	-	-	-	-	-	-	-
Property tax/service charges						-	-	-	-	-	-	-	-
Rental of facilities & equipment						-	-	-	-	-	-	-	-
Interest - external investments						-	-	-	-	-	-	-	-
Interest - debtors						-	-	-	-	-	-	-	-
Revenue from agency services						-	-	-	-	-	-	-	-

MP322 Mbombela Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Funding measures													
Cash/cash equivalents at the year end - R'000	18(1)b	1	35,792	19,558	96,112	310,163	153,786	153,786	153,786	309,553	469,725	665,755	
Cash + investments at the yr end less applications - R'000	18(1)b	2	(335,872)	(456,779)	(541,943)	235,343	(166,187)	(166,187)	(166,187)	54,694	220,725	381,769	
Cash year end/monthly employee/supplier payments	18(1)b	3	0.4	0.2	0.8	2.4	1.1	1.1	1.1	2.1	2.9	3.7	
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(250,071)	(119,639)	(139,386)	335,637	388,254	388,254	388,254	382,796	428,505	510,300	
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	3.3%	3.9%	6.5%	(4.8%)	(6.0%)	(6.0%)	3.2%	6.2%	7.2%	
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	91.0%	84.5%	89.9%	90.5%	91.7%	91.7%	91.7%	99.7%	100.5%	101.2%	
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	5.9%	8.9%	4.9%	9.0%	8.0%	8.0%	8.0%	5.9%	5.1%	4.3%	
Capital payments % of capital expenditure	18(1)c;19	8	99.2%	100.0%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	28.1%	20.9%	94.8%	74.3%	56.4%	56.4%	56.4%	32.2%	0.0%	0.0%	
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%	
Current consumer debtors % change - incr/(decr)	18(1)a	11	N.A.	(5.8%)	8.7%	(23.3%)	(17.6%)	0.0%	0.0%	(21.4%)	(3.6%)	(9.0%)	
Long term receivables % change - incr/(decr)	18(1)a	12	N.A.	(25.2%)	(8.2%)	(100.0%)	0.0%	0.0%	0.0%	(3.0%)	(3.0%)	(3.0%)	
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.6%	3.0%	2.9%	2.0%	3.3%	3.3%	3.4%	3.3%	3.2%	3.2%	
Asset renewal % of capital budget	20(1)(vi)	14	22.5%	31.1%	30.1%	60.9%	53.0%	53.0%	0.0%	64.7%	69.2%	71.7%	
Total Operating Revenue			1,333,202	1,507,635	1,537,671	1,728,151	1,746,441	1,746,441	1,746,441	2,110,344	2,324,265	2,596,883	
Total Operating Expenditure			1,672,784	1,795,551	1,847,700	1,903,748	1,973,492	1,973,492	1,973,492	2,134,140	2,320,497	2,540,254	
Operating Performance Surplus/(Deficit)			(339,582)	(287,916)	(310,030)	(175,597)	(227,050)	(227,050)	(227,050)	(23,796)	3,768	56,629	
Cash and Cash Equivalents (30 June 2012)										309,553			
Revenue													
% Increase in Total Operating Revenue				13.1%	2.0%	12.4%	1.1%	0.0%	0.0%	20.8%	10.1%	11.7%	
% Increase in Property Rates Revenue				11.6%	6.0%	11.6%	3.0%	0.0%	0.0%	7.7%	8.4%	9.2%	
% Increase in Electricity Revenue				8.8%	12.0%	13.4%	0.0%	0.0%	0.0%	8.9%	12.7%	13.2%	
% Increase in Property Rates & Services Charges				9.3%	9.9%	12.5%	1.2%	0.0%	0.0%	9.2%	12.2%	13.2%	
Expenditure													
% Increase in Total Operating Expenditure				7.3%	2.9%	3.0%	3.7%	0.0%	0.0%	8.1%	8.7%	9.5%	
% Increase in Employee Costs				7.4%	10.0%	5.1%	1.9%	0.0%	0.0%	9.8%	14.3%	13.8%	
% Increase in Electricity Bulk Purchases				13.4%	4.4%	0.6%	1.5%	0.0%	0.0%	17.4%	13.4%	14.2%	
Average Cost Per Budgeted Employee Position (Remuneration)				148210.2855	121958.4035					136470.5274			
Average Cost Per Councillor (Remuneration)					0	0				0			
R&M % of PPE				2.6%	3.0%	2.9%	2.0%	3.3%	3.3%	3.3%	3.2%	3.2%	
Asset Renewal and R&M as a % of PPE				3.0%	4.0%	4.0%	7.0%	10.0%	10.0%	9.0%	9.0%	10.0%	
Debt Impairment % of Total Billable Revenue				5.9%	8.9%	4.9%	9.0%	8.0%	8.0%	5.9%	5.1%	4.3%	
Capital Revenue													
Internally Funded & Other (R'000)				71,483	44,448	39,589	63,189	84,075	84,075	102,899	133,096	168,947	
Borrowing (R'000)				33,130	28,497	15,044	40,656	108,496	108,496	35,280	—	—	
Grant Funding and Other (R'000)				90,336	163,788	176,109	418,672	505,691	505,691	505,691	406,592	424,738	453,671
Internally Generated funds % of Non Grant Funding				68.3%	60.9%	72.5%	60.8%	43.7%	43.7%	43.7%	74.5%	100.0%	
Borrowing % of Non Grant Funding				31.7%	39.1%	27.5%	39.2%	56.3%	56.3%	56.3%	25.5%	0.0%	
Grant Funding % of Total Funding				46.3%	69.2%	76.3%	80.1%	72.4%	72.4%	72.4%	74.6%	76.1%	
Capital Expenditure													
Total Capital Programme (R'000)				194,948	236,732	230,742	522,517	698,262	698,262	698,262	544,771	557,834	622,618
Asset Renewal				43,869	73,709	69,523	318,296	370,310	370,310	370,310	352,561	386,066	446,706
Asset Renewal % of Total Capital Expenditure				22.5%	31.1%	30.1%	60.9%	53.0%	53.0%	53.0%	64.7%	69.2%	71.7%
Cash													
Cash Receipts % of Rate Payer & Other				91.0%	84.5%	89.9%	90.5%	91.7%	91.7%	99.7%	100.5%	101.2%	
Cash Coverage Ratio				0	0	0	0	0	0	0	0	0	
Borrowing													
Credit Rating (2009/10)				2.6%	4.4%	3.7%	3.6%	3.5%	3.5%	3.5%	A2 za	2.9%	
Capital Charges to Operating				28.1%	20.9%	94.8%	74.3%	56.4%	56.4%	56.4%	3.4%	3.1%	
Borrowing Receipts % of Capital Expenditure											32.2%	0.0%	
Reserves													
Surplus/(Deficit)				(335,872)	(456,779)	(541,943)	235,343	(166,187)	(166,187)	(166,187)	54,694	220,725	381,769
Free Services													
Free Basic Services as a % of Equitable Share				10.0%	16.3%	15.1%	35.6%	35.8%	35.8%		30.8%	29.1%	
Free Services as a % of Operating Revenue (excl operational transfers)				12.6%	13.6%	13.2%	32.5%	32.0%	32.0%		31.9%	30.2%	
High Level Outcome of Funding Compliance													
Total Operating Revenue				1,333,202	1,507,635	1,537,671	1,728,151	1,746,441	1,746,441	1,746,441	2,110,344	2,324,265	2,596,883
Total Operating Expenditure				1,672,784	1,795,551	1,847,700	1,903,748	1,973,492	1,973,492	1,973,492	2,134,140	2,320,497	2,540,254
Surplus/(Deficit) Budgeted Operating Statement				(339,582)	(287,916)	(310,030)	(175,597)	(227,050)	(227,050)	(227,050)	(23,796)	3,768	56,629
Surplus/(Deficit) Considering Reserves and Cash Backing				(335,872)	(456,779)	(541,943)	235,343	(166,187)	(166,187)	(166,187)	54,694	220,725	381,769
MTREF Funded (1) / Unfunded (0)	15	0	0	0	0	1	0	0	0	1	1	1	
MTREF Funded ✓ / Unfunded *	15	✗	✗	✗	✗	✓	✗	✗	✗	✓	✓	✓	

MP322 Mbombela - Supporting Table SA11 Property rates summary

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Valuation:	1	1/0/1900 0						2014/15 Yes Yes N		
Date of valuation:										
Financial year valuation used										
Municipal by-laws s6 in place? (Y/N)	2									
Municipal/assistant valuer appointed? (Y/N)										
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3									
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)								Yes		
Implementation time of new valuation roll (mths)								36		
No. of properties	5	62,405	63,000	63,000	63,300	63,300	63,300	62,678	63,178	63,178
No. of sectional title values	5	4,422	4,672	4,672	4,805	4,805	4,805	4,984	5,033	5,033
No. of unreasonably difficult properties s7(2)		108								
No. of supplementary valuations		2	1	1	1	1	1	2	2	2
No. of valuation roll amendments		–	701	701	–	–	–	50	50	50
No. of objections by rate payers		–	66	66	–	–	–	5	5	5
No. of appeals by rate payers		–	4	4	–	–	–	–	–	–
No. of successful objections	8	–			–	–	–	–	–	–
No. of successful objections > 10%	8	–			–	–	–	–	–	–
Supplementary valuation		2	1	1	1	1	1	2	2	2
Public service infrastructure value (Rm)	5	28	43	43	43	43	43	117	117	117
Municipality owned property value (Rm)		3,150	2,240	2,240	3,161	3,161	3,161	908	908	908
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		8	11	11				35	35	35
Valuation reductions-nature reserves/park (Rm)		–	6	6	6	6	6	12	12	12
Valuation reductions-mineral rights (Rm)		–	–	–	358	358	358	–	–	–
Valuation reductions-R15,000 threshold (Rm)		622	670	670	669	669	669	877	877	877
Valuation reductions-public worship (Rm)		293	328	328	358	358	358	354	354	354
Valuation reductions-other (Rm)		2,740	2,250	2,250				3,507	3,507	3,507
Total valuation reductions:		3,664	3,264	3,264	1,391	1,391	1,391	4,785	4,785	4,785
Total value used for rating (Rm)	5	33,726	36,685	36,685	37,012	37,012	37,012	42,923	42,923	42,923
Total land value (Rm)	5	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	5	–	–	–	–	–	–	–	–	–
Total market value (Rm)	5	33,726	36,685	36,685	37,012	37,012	37,012	42,923	42,923	42,923
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	5	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)		No	No	No	No			No		
Special rating area used? (Y/N)		No	No	No	No			No		
Phasing-in properties s21 (number)		4739								
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R'000)	6	245,816	274,262	290,608	451,045	460,800	460,800	528,241	568,496	615,279
Rate revenue expected to collect (R'000)	6	–	–	–	324,308	334,063	334,063	359,793	389,941	426,010
Expected cash collection rate (%)	6	90.0%	93.0%	91.0%	91.0%	91.0%	91.0%	95.0%	95.0%	95.0%
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–
Total rebates, exemptions, reductions, discounts (R'000)		–	–	–	–	–	–	–	–	–

MP322 Mbombela - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	
Current Year 2014/15																		
Valuation:																		
No. of properties	58,600			2,593	3,608	303	1,592	392	174		411	-	-	-	-	-	8	
No. of sectional title property values	49,694			232														
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of supplementary valuations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Supplementary valuation (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of valuation roll amendments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of objections by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of appeals by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of appeals by rate-payers finalised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Estimated no. of properties not valued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Years since last valuation (select)	<1		<1	<1	<1	<1	<1	<1	<1								1	
Frequency of valuation (select)	4		4	4	4	4	4	4	4								4	
Method of valuation used (select)	Market		Market	Market	Market	Market	Market	Market	Market								Market	
Base of valuation (select)	Land & Impr.		Land & Impr.	Land & Impr.								Land & Impr.						
Phasing-in properties s21 (number)																	-	
Combination of rating types used? (Y/N)	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes								Yes	
Flat rate used? (Y/N)	No		No	No	No	No	No	No	No								No	
Is balance rated by uniform rate/variable rate?																	-	
Valuation reductions:																		
Valuation reductions-public infrastructure (Rm)	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	
Valuation reductions-nature reserves/park (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-R15,000 threshold (Rm)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-public worship (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-other (Rm)	2	3,809	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total valuation reductions:																		
Total value used for rating (Rm)	6	20,896		11,287	6,312	1,871	-	0										
Total land value (Rm)	6	-																
Total value of improvements (Rm)	6	-						0	0	351		159						
Total market value (Rm)	6	25,584															0	
Rating:																		
Average rate	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rate revenue budget (R '000)	215,518	-	252,598	13,627	42,432	-	2,337	-	-	2,463	-	-	-	-	-	-	199	
Rate revenue expected to collect (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Expected cash collection rate (%)	4	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	
Special rating areas (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - indigent (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - pensioners (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - bona fide farm. (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - other (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Phase-in reductions/discounts (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total rebates, exemptions, reductions, discounts (R'000)																		

MP322 Mbombela - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2015/16																	
Valuation:																	
No. of properties	53,931	-	2,065	3,740	295	1,600	407	-	-	-	-	-	-	4	-	12	-
No. of sectional title property values	4,492	-	492	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations	436	-	175	211	6	-	26	-	-	-	-	-	-	-	-	6	-
Supplementary valuation (Rm)	314,194	-	323,804	5,582,177	298,804	425,051	68,135,000	-	-	-	-	-	-	-	-	80,800,000	-
No. of valuation roll amendments	436	-	175	211	6	13	26	-	-	-	-	-	-	-	-	6	-
No. of objections by rate-payers	894	-	221	92	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers	43	-	22	12	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	400	-	99	43	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	149	-	75	15	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)	1	-	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-
Frequency of valuation (select)	4	-	4	4	4	4	4	-	-	-	-	-	-	-	-	-	-
Method of valuation used (select)	Market	Market	Market	Dep. Replace	Dep. Replace	Dep. Replace	-	-	-	-	-	-	-	-	-	-	-
Base of valuation (select)	Land & impr.	-	-	-	-	-	-	-	-	-	-						
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
Combination of rating types used? (Y/N)	Yes	-	-	-	-	-	-	-	-	-	-						
Flat rate used? (Y/N)	No	-	-	-	-	-	-	-	-	-	-						
Is balance rated by uniform rate/variable rate?	Variable	-	-	-	-	-	-	-	-	-	-						
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total valuation reductions:																	
Total value used for rating (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total land value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total market value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rating:																	
Average rate	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R '000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	4	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Special rating areas (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total rebates,exemptions,reductns,discs (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

MP322 Mbombela - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			
							Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Property rates (rate in the Rand)	1		0.6978	0.7432	0.7915	0.7915	0.8390	0.8893	0.9427	
Residential properties			2.0935	2.2295	1.1873	0.7915	0.8390	0.8893	0.9427	
Residential properties - vacant land										
Formal/informal settlements			0.6978	0.7432	0.7915	0.7915	0.8390	0.8893	0.9427	
Small holdings			0.1745	1.1147	1.1873	0.1979	0.2098	0.2224	0.2357	
Farm properties - used			0.1745	0.1858	0.1979	0.1979	0.2098	0.2224	0.2357	
Farm properties - not used			1.7446	1.1858	0.1979	0.1979	0.2098	0.2224	0.2357	
Industrial properties			1.7446	1.8579	1.9788	1.9788	2.0975	2.2234	2.3568	
Business and commercial properties			0.6978	1.8579	1.9788	1.9788	2.0975	2.2234	2.3568	
Communal land - residential			-	-	-	-	-	-	-	
Communal land - small holdings			-	-	-	-	-	-	-	
Communal land - farm property			-	-	-	-	-	-	-	
Communal land - business and commercial			-	-	-	-	-	-	-	
Communal land - other			-	-	-	-	-	-	-	
State-owned properties			2.0935	2.2295	2.3745	2.3745	2.5170	2.6680	2.8281	
Municipal properties			-	-	-	-	-	-	-	
Public service infrastructure			0.1745	0.1858	0.1979	0.1979	0.2098	0.2224	0.2357	
Privately owned towns serviced by the State			0.6978	1.1147	1.1873	1.1873	1.2585	1.3341	1.4141	
State trust land			-	-	-	-	-	-	-	
Restitution and redistribution properties			-	-	-	-	-	-	-	
Protected areas			-	-	-	-	-	-	-	
National monuments properties			-	-	-	-	-	-	-	
Exemptions, reductions and rebates (Rands)										
Residential properties										
R15 000 threshold rebate			15,000	15,000	15,000	15,000	15,000	15,000	15,000	
General residential rebate			80,000	80,000	80,000	80,000	80,000	80,000	80,000	
Indigent rebate or exemption			100	100	100	100	100	100	100	
Pensioners/social grants rebate or exemption			100	100	100	100	100	100	100	
Temporary relief rebate or exemption			-	-	-	-	-	-	-	
Bona fide farmers rebate or exemption			45	45	8	8	8	8	8	
Other rebates or exemptions	2		-	-	-	-	-	-	-	
Water tariffs										
Domestic										
Basic charge/fixed fee (Rands/month)			52	57	61	66	91	125	169	
Service point - vacant land (Rands/month)			52	57	61	66	91	125	169	
Water usage - flat rate tariff (c/kl)			-	-	-	-	-	-	-	
Water usage - life line tariff			(describe structure)	-	-	-	-	-	-	
Water usage - Block 1 (c/kl)			(fill in thresholds)	-	-	-	-	-	-	
Water usage - Block 2 (c/kl)			(fill in thresholds)	998	1,098	1,186	1,287	1,776	2,433	3,284
Water usage - Block 3 (c/kl)			(fill in thresholds)	875	978	1,056	1,160	1,601	2,193	2,961
Water usage - Block 4 (c/kl)			(fill in thresholds)	882	906	1,000	1,100	1,518	2,080	2,808
Other	2		-	-	-	-	-	-	-	
Waste water tariffs										
Domestic										
Basic charge/fixed fee (Rands/month)			-	85	92	100	-	-	-	
Serv ice point - vacant land (Rands/month)			-	-	-	-	-	-	-	
Waste water - flat rate tariff (c/kl)			-	-	-	-	-	-	-	
Volumetric charge - Block 1 (c/kl)			(fill in structure)	-	-	-	-	-	-	
Volumetric charge - Block 2 (c/kl)			(fill in structure)	1,005	1,085	1,177	965	792	649	
Volumetric charge - Block 3 (c/kl)			(fill in structure)	873	943	1,023	839	688	564	
Volumetric charge - Block 4 (c/kl)			(fill in structure)	-	-	-	-	-	-	
Other	2		-	-	-	-	-	-	-	
Electricity tariffs										
Domestic										
Basic charge/fixed fee (Rands/month)			-	120	140	-	-	-	-	
Serv ice point - vacant land (Rands/month)			-	50	50	37	-	-	-	
FBE			(how is this targeted?)	-	-	-	-	-	-	
Life-line tariff - meter			(describe structure)	-	-	-	-	-	-	
Life-line tariff - prepaid			(describe structure)	-	-	-	-	-	-	
Flat rate tariff - meter (c/kwh)			(fill in structure)	-	-	-	-	-	-	
Flat rate tariff - prepaid(c/kwh)			(fill in structure)	50	70	74	74	83	93	104
Meter - IBT Block 1 (c/kwh)			(fill in thresholds)	76	83	88	96	107	120	134
Meter - IBT Block 2 (c/kwh)			(fill in thresholds)	96	107	114	124	139	155	174
Meter - IBT Block 3 (c/kwh)			(fill in thresholds)	118	123	132	142	159	178	200
Meter - IBT Block 4 (c/kwh)			(fill in thresholds)	-	-	-	-	-	-	-
Prepaid - IBT Block 1 (c/kwh)			(fill in thresholds)	50	70	74	74	83	93	104
Prepaid - IBT Block 2 (c/kwh)			(fill in thresholds)	76	83	88	96	107	120	134
Prepaid - IBT Block 3 (c/kwh)			(fill in thresholds)	96	107	114	124	139	155	174
Prepaid - IBT Block 4 (c/kwh)			(fill in thresholds)	118	123	132	142	159	178	200
Prepaid - IBT Block 5 (c/kwh)			(fill in thresholds)	-	-	-	-	-	-	-
Other	2		-	-	-	-	-	-	-	
Waste management tariffs										
Domestic										
Street cleaning charge			-	-	-	-	-	-	-	
Basic charge/fixed fee			-	-	-	-	-	-	-	
80l bin - once a week			-	78	86	14,210	15,347	16,642	18,090	
250l bin - once a week			-	118	129	14,210	15,347	16,642	18,090	

MP322 Mbombela - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16			
							Medium Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
<u>Exemptions, reductions and rebates (Rands)</u>										
ASSESSMENT RATES REBATES - RESIDENTIAL		80,000	0.6978	0.7432	0.7915	0.7915	0.84	0.89	0.94	
PUBLIC SERVICE INFRASTRUCTURE - FIRST			0.1745	0.1858	0.1979	0.1979	0.21	0.22	0.24	
<u>Water tariffs</u>										
RESIDENTIAL CUSTOMERS & AGRICULTURE	6 KL		-	-	-	-	-	-	-	
RESIDENTIAL CUSTOMERS & AGRICULTURE	6 KL		10.00	10.98	11.86	11.86	-	-	-	
RESIDENTIAL CUSTOMERS & AGRICULTURE	6 KL		8.15	9.78	10.56	10.56	-	-	-	
RESIDENTIAL CUSTOMERS & AGRICULTURE	6 KL		7.55	9.06	10.00	10.00	-	-	-	
BUSINESS COMMERCIAL INDUSTRIAL	Per KL		8.15	8.95	9.67	9.67	13.3446	18.282102	24.6808377	
BULK CUSTOMERS OUTSIDE MUNICIPAL AREA	Per KL		8.95	9.83	10.62	10.62	14.6556	20.078172	27.1055322	
MUNICIPAL DEPARTMENTS	Per KL		8.95	8.95	9.67	9.67	3.3446	4.582102	6.1858377	
<u>Waste water tariffs</u>										
RESIDENTIAL CUSTOMERS	6 KL		-	-	-	-	-	-	-	
RESIDENTIAL CUSTOMERS	6 KL		9.15	10.05	10.85	10.85	11.935	13.1285	14.44135	
RESIDENTIAL CUSTOMERS	6 KL		7.95	8.73	9.43	9.43	10.373	11.4103	12.55133	
BASIC CHARGE	Per KL		77.85	85.45	-	92.29	101.519	111.6709	122.83799	
BORE HOLES	Per KL		159.00	174.51	-	188.47	207.317	228.0487	250.85357	
BUSINESS COMMERCIAL INDUSTRIAL	Per KL		3502.35	3843.83	-	4151.34	4566.474	5023.1214	5525.43354	
PINE LAKE INN	Per KL		2616.10	2871.17	-	3100.86	3410.946	3752.0406	4127.24466	
INDUSTRIAL GOVERNMENT - TRANSNET	Per KL		280.20	307.52	-	332.12	365.332	401.8652	442.05172	
BORE HOLES	Per KL		-	-	-	406.67	447.337	492.0707	541.27777	
<u>Electricity tariffs</u>										
BAFFALO, KUDU AND HIPPO	Per kWh		63.00	70.00	73.85	74.00	83	101	113	
BAFFALO, KUDU AND HIPPO	Per kWh		75.00	83.00	88.40	95.53	107	131	146	
BAFFALO, KUDU AND HIPPO	Per kWh		95.00	107.00	114.49	123.72	139	169	190	
BAFFALO, KUDU AND HIPPO	Per kWh		109.00	123.00	131.63	142.24	159	194	218	
RHINO	Per kWh		100	120	140.00	155.00	174	212	238	
LION LOW TENSION	Per kWh		46.00	52.00	74.00	80.00	90	109	123	
LION LOW TENSION	Per kWh		49.00	55.00	55.00	60.00	67	82	92	
LION LOW TENSION	Per kWh		77.00	86.00	56.00	61.00	68	83	94	
LION LOW TENSION	Per kWh		1070.00	1190.00	1280.00	1384.00	1,550	1,891	2,122	
CHEETAH HIGH TENSION TARIFF	Per kWh		44.00	49.00	71.00	77.00	86	105	118	
CHEETAH HIGH TENSION TARIFF	Per kWh		49.00	55.00	52.00	57.00	64	78	87	
CHEETAH HIGH TENSION TARIFF	Per kWh		74.00	83.00	56.00	61.00	68	83	94	
CHEETAH HIGH TENSION TARIFF	Per kWh		1490.00	1660.00	1790.00	1935.00	2,167	2,644	2,967	
NYALA HIGH DEMAND SEASON	Per kWh		52.00	280.00	303.00	339	414	465		
NYALA HIGH DEMAND SEASON	Per kWh		52.00	110.00	119.00	133	163	182		
NYALA HIGH DEMAND SEASON	Per kWh		52.00	64.00	69.00	77	94	106		
NYALA HIGH DEMAND SEASON	Per kWh		-	15.00	17.00	19	23	26		
NYALA LOW DEMAND SEASON	Per kWh		52.00	118.00	127.00	142	174	195		
NYALA LOW DEMAND SEASON	Per kWh		52.00	84.00	91.00	102	124	140		
NYALA LOW DEMAND SEASON	Per kWh		52.00	57.00	61.00	68	83	94		

MP322 Mbombela - Supporting Table SA14 Household bills

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent											
<u>Monthly Account for Household - 'Middle Income Range'</u>	1										
Rates and services charges:											
Property rates		407.05	268.77	286.29	286.29	286.29	286.29	6.0%	303.47	321.68	340.98
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		930.00	1,043.50	1,114.87	1,218.85	1,218.85	1,218.85	12.2%	1,367.55	1,534.39	1,721.59
Water: Basic levy		51.50	56.55	61.07	66.26	66.26	66.26	38.0%	91.44	125.27	169.12
Water: Consumption		240.00	263.52	284.64	308.83	308.83	308.83	38.0%	426.19	583.88	788.24
Sanitation		219.60	241.20	260.40	282.53	282.53	282.53	(18.0%)	231.68	189.98	155.78
Refuse removal		107.00	117.97	128.19	141.01	141.01	141.01	8.0%	152.29	165.15	179.80
Other		-	-	-	-	-	-	-	-	-	-
sub-total		1,955.15	1,991.51	2,135.46	2,303.78	2,303.78	2,303.78	11.7%	2,572.62	2,920.34	3,355.50
VAT on Services		-	-	-	-	-	-	-	-	-	-
<u>Total large household bill:</u>		1,955.15	1,991.51	2,135.46	2,303.78	2,303.78	2,303.78	11.7%	2,572.62	2,920.34	3,355.50
% increase/-decrease			1.9%	7.2%	7.9%	-	-		11.7%	13.5%	14.9%
<u>Monthly Account for Household - 'Affordable Range'</u>	2										
Rates and services charges:											
Property rates		290.75	182.07	193.94	193.94	193.94	193.94	6.0%	205.58	234.85	268.29
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		385.00	444.50	473.86	526.17	526.17	526.17	12.2%	590.36	662.39	743.20
Water: Basic levy		51.50	56.55	61.07	66.26	66.26	66.26	15.0%	76.20	87.63	100.77
Water: Consumption		190.00	208.62	225.34	244.49	244.49	244.49	15.0%	281.17	323.34	371.84
Sanitation		173.85	190.95	206.15	223.67	223.67	223.67	(18.0%)	183.41	150.40	123.33
Refuse removal		107.00	78.39	85.84	94.42	94.42	94.42	8.0%	101.98	110.59	120.40
Other		-	-	-	-	-	-	-	-	-	-
sub-total		1,198.10	1,161.08	1,246.20	1,348.96	1,348.96	1,348.96	6.7%	1,438.70	1,569.19	1,727.83
VAT on Services		-	-	-	-	-	-	-	-	-	-
<u>Total small household bill:</u>		1,198.10	1,161.08	1,246.20	1,348.96	1,348.96	1,348.96	6.7%	1,438.70	1,569.19	1,727.83
% increase/-decrease			(3.1%)	7.3%	8.2%	-	-	6.7%	9.1%	10.1%	
<u>Monthly Account for Household - 'Indigent'</u>	3										
<u>Household receiving free basic services</u>											
Rates and services charges:											
Property rates		174.45	95.37	101.59	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		31.50	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		140.00	-	-	-	-	-	-	-	-	-
Sanitation		128.10	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		474.05	95.37	101.59	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
<u>Total small household bill:</u>		474.05	95.37	101.59	-	-	-	-	-	-	-
% increase/-decrease			(79.9%)	6.5%	(100.0%)	-	-	-	-	-	-

MP322 Mbombela - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Parent municipality										
Securities - National Government		–	–	–	–	–	–	–	–	–
Listed Corporate Bonds		–	–	–	–	–	–	–	–	–
Deposits - Bank		13,633	13,696	14,384	38,737	15,657	15,657	17,042	18,550	20,191
Deposits - Public Investment Commissioners		–	–	–	–	–	–	–	–	–
Deposits - Corporation for Public Deposits		–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates		–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks		–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)		–	–	–	–	–	–	–	–	–
Repurchase Agreements - Banks		–	–	–	–	–	–	–	–	–
Municipal Bonds		–	–	–	–	–	–	–	–	–
Municipality sub-total	1	13,633	13,696	14,384	38,737	15,657	15,657	17,042	18,550	20,191
Entities										
Securities - National Government		–	–	–	–	–	–	–	–	–
Listed Corporate Bonds		–	–	–	–	–	–	–	–	–
Deposits - Bank		–	–	–	–	–	–	–	–	–
Deposits - Public Investment Commissioners		–	–	–	–	–	–	–	–	–
Deposits - Corporation for Public Deposits		–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates		–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks		–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)		–	–	–	–	–	–	–	–	–
Repurchase Agreements - Banks		–	–	–	–	–	–	–	–	–
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		13,633	13,696	14,384	38,737	15,657	15,657	17,042	18,550	20,191

MP322 Mbombela - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Parent municipality										
Long-Term Loans (annuity/reducing balance)			189,428	226,517	363,887	313,504	313,504	339,393	318,833	295,382
Long-Term Loans (non-annuity)			–	–	–	–	–	–	–	–
Local registered stock			–	–	–	–	–	–	–	–
Instalment Credit			–	–	–	–	–	–	–	–
Financial Leases			–	–	–	–	–	–	–	–
PPP liabilities			–	–	–	–	–	–	–	–
Finance Granted By Cap Equipment Supplier			–	–	–	–	–	–	–	–
Marketable Bonds			–	–	–	–	–	–	–	–
Non-Marketable Bonds			–	–	–	–	–	–	–	–
Bankers Acceptances			–	–	–	–	–	–	–	–
Financial derivatives			–	–	–	–	–	–	–	–
Other Securities			–	–	–	–	–	–	–	–
Municipality sub-total	1	–	189,428	226,517	363,887	313,504	313,504	339,393	318,833	295,382
Entities										
Long-Term Loans (annuity/reducing balance)			–	–	–	–	–	–	–	–
Long-Term Loans (non-annuity)			–	–	–	–	–	–	–	–
Local registered stock			–	–	–	–	–	–	–	–
Instalment Credit			–	–	–	–	–	–	–	–
Financial Leases			–	–	–	–	–	–	–	–
PPP liabilities			–	–	–	–	–	–	–	–
Finance Granted By Cap Equipment Supplier			–	–	–	–	–	–	–	–
Marketable Bonds			–	–	–	–	–	–	–	–
Non-Marketable Bonds			–	–	–	–	–	–	–	–
Bankers Acceptances			–	–	–	–	–	–	–	–
Financial derivatives			–	–	–	–	–	–	–	–
Other Securities			–	–	–	–	–	–	–	–
Entities sub-total	1	–	–	–	–	–	–	–	–	–
Total Borrowing	1	–	189,428	226,517	363,887	313,504	313,504	339,393	318,833	295,382

MP322 Mbombela - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
RECEIPTS:										
<u>Operating Transfers and Grants</u>										
National Government:	1, 2	306,481	327,061	355,505	397,237	395,322	395,322	471,502	506,459	547,483
Local Government Equitable Share		279,162	312,298	342,190	388,663	386,748	386,748	462,073	503,877	544,750
Water Services Operating Subsidy		14,650	3,009	–	–	–	–	6,899	–	–
Municipal Systems Improvement		1,119	800	890	1,600	1,600	1,600	930	957	1,033
Finance Management		1,516	1,500	1,550	934	934	934	1,600	1,625	1,700
Integrated National Electrification Programme		3,061	–	–	–	–	–	–	–	–
EPWP Incentive		4,515	2,954	1,695	6,040	6,040	6,040	–	–	–
Other trans/grants [2010 Host City , MIG,PTIS, DR]		2,458	6,500	9,180	–	–	–	–	–	–
Provincial Government:		–	1,000	–	–	–	–	–	–	–
Housing		–	1,000	–	–	–	–	–	–	–
Other trans/grants [2010 Host City , MIG,PTIS, DR]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	306,481	328,061	355,505	397,237	395,322	395,322	471,502	506,459	547,483
<u>Capital Transfers and Grants</u>										
National Government:		200,031	329,765	381,766	511,234	398,338	398,338	509,804	532,379	575,762
Municipal Infrastructure Grant (MIG)		155,031	188,062	241,164	286,043	182,347	182,347	298,264	310,919	329,889
Public Transport and Systems		45,000	98,703	123,762	195,191	189,306	189,306	116,540	122,088	132,498
Neighbourhood Development Partnership		–	–	–	5,000	5,000	5,000	20,000	30,000	35,000
Regional Bulk Infrastructure		–	6,500	9,180	15,000	15,000	15,000	–	–	–
WSIG, WSOSG & INEP EDSM & Disaster		–	36,500	7,660	10,000	6,686	6,686	75,000	69,372	78,375
Provincial Government:		–	0	0	–	–	–	–	–	–
Other capital transfers/grants [insert description]		–	0	0	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		18	16	1	–	–	–	–	–	–
[National Lottery]		18	16	1	–	–	–	–	–	–
Total Capital Transfers and Grants	5	200,049	329,781	381,767	511,234	398,338	398,338	509,804	532,379	575,762
TOTAL RECEIPTS OF TRANSFERS & GRANTS		506,530	657,842	737,272	908,471	793,660	793,660	981,306	1,038,838	1,123,245

MP322 Mbombela - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		375,143	381,171	359,287	397,237	395,322	395,322	471,502	506,459	547,483
Local Government Equitable Share		279,162	312,298	342,190	388,663	386,748	386,748	462,073	503,877	544,750
Water Services Operating Subsidy		14,650	3,009	–	–	–	–	6,899	–	–
Municipal Systems Improvement		1,516	1,041	693	1,600	1,600	1,600	930	957	1,033
Finance Management		1,119	1,561	1,476	934	934	934	1,600	1,625	1,700
Integrated National Electrification Programme		8,191	–	–	–	–	–	–	–	–
EPWP Incentive		4,515	2,130	1,839	6,040	6,040	6,040	–	–	–
Other trans/grants [2010 Host City, MIG,PTIS, DR]		65,990	61,132	13,089	–	–	–	–	–	–
Provincial Government:		–	1,000	–	–	–	–	–	–	–
Housing		–	1,000	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–	–
Other trans/grants [2010 Host City, MIG,PTIS, DR]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants		375,143	382,171	359,287	397,237	395,322	395,322	471,502	506,459	547,483
Capital expenditure of Transfers and Grants										
National Government:		89,372	167,844	165,879	511,234	398,338	398,338	509,804	532,379	575,762
Municipal Infrastructure Grant (MIG)		81,610	106,073	101,072	286,043	182,347	182,347	298,264	310,919	329,889
Public Transport and Systems			43,604	52,759	195,191	189,306	189,306	116,540	122,088	132,498
Neighbourhood Development Partnership		4,240	910	–	5,000	5,000	5,000	20,000	30,000	35,000
Regional Bulk Infrastructure		3,521	–	–	15,000	15,000	15,000	–	–	–
–		–	–	–	–	–	–	–	–	–
WSIG, WSOSG & INEP EDSM & Disaster		–	17,257	12,049	10,000	6,686	6,686	75,000	69,372	78,375
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [MP housing, Library]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–	–
Other grant providers:		134	433	4,764	–	–	–	–	–	–
[National Lottery]		134	433	4,764	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		89,505	168,277	170,643	511,234	398,338	398,338	509,804	532,379	575,762
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		464,649	550,448	529,931	908,471	793,660	793,660	981,306	1,038,838	1,123,245

MP322 Mbombela - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year				—	—	—	—	—	—	—
Current year receipts		375,143	382,171	359,287	397,237	395,322	395,322	574,714	614,100	669,574
Conditions met - transferred to revenue		375,143	382,171	359,287	397,237	395,322	395,322	574,714	614,100	669,574
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year				—	—	—	—	—	—	—
Current year receipts				—	—	—	—	—	—	—
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities				—	—	—	—	—	—	—
District Municipality:										
Balance unspent at beginning of the year				—	—	—	—	—	—	—
Current year receipts				—	—	—	—	—	—	—
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities				—	—	—	—	—	—	—
Other grant providers:										
Balance unspent at beginning of the year				—	—	—	—	—	—	—
Current year receipts				—	—	—	—	—	—	—
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities				—	—	—	—	—	—	—
Total operating transfers and grants revenue		375,143	382,171	359,287	397,237	395,322	395,322	574,714	614,100	669,574
Total operating transfers and grants - CTBM	2	—	—	—	—	—	—	—	—	—
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year				—	—	—	—	—	—	—
Current year receipts		90,336	163,788	176,109	418,672	505,691	505,691	406,592	424,738	453,671
Conditions met - transferred to revenue		90,336	163,788	176,109	418,672	505,691	505,691	406,592	424,738	453,671
Conditions still to be met - transferred to liabilities				—	—	—	—	—	—	—
Provincial Government:										
Balance unspent at beginning of the year				—	—	—	—	—	—	—
Current year receipts				—	—	—	—	—	—	—
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities				—	—	—	—	—	—	—
District Municipality:										
Balance unspent at beginning of the year				—	—	—	—	—	—	—
Current year receipts				—	—	—	—	—	—	—
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities				—	—	—	—	—	—	—
Other grant providers:										
Balance unspent at beginning of the year				—	—	—	—	—	—	—
Current year receipts				—	—	—	—	—	—	—
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities				—	—	—	—	—	—	—
Total capital transfers and grants revenue		90,336	163,788	176,109	418,672	505,691	505,691	406,592	424,738	453,671
Total capital transfers and grants - CTBM	2	—	—	—	—	—	—	—	—	—
TOTAL TRANSFERS AND GRANTS REVENUE		465,479	545,959	535,397	815,909	901,013	901,013	981,306	1,038,838	1,123,245
TOTAL TRANSFERS AND GRANTS - CTBM		—	—	—	—	—	—	—	—	—

MP322 Mbombela - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Councillors (Political Office Bearers plus Other)	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		11,822	12,803	15,550	16,986	16,986	16,986	18,140	19,400	20,792
Pension and UIF Contributions		1,696	1,885	2,270	2,309	2,309	2,309	2,968	3,294	3,690
Medical Aid Contributions		372	338	476	514	514	514	584	649	726
Motor Vehicle Allowance		4,370	4,772	5,935	6,347	6,347	6,347	5,820	5,725	5,477
Cellphone Allowance		1,041	1,040	1,599	1,522	1,522	1,522	1,804	2,002	2,242
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	88	61	46	46	46	95	106	118
Sub Total - Councillors		19,302	20,925	25,892	27,724	27,724	27,724	29,411	31,176	33,046
% increase	4		8.4%	23.7%	7.1%	-	-	6.1%	6.0%	6.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3,406	4,729	4,561	5,245	4,355	4,355	5,095	5,656	6,334
Pension and UIF Contributions		757	1,012	887	1,020	835	835	977	1,085	1,215
Medical Aid Contributions		167	118	128	147	106	106	124	138	154
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	635	1,060	844	971	688	688	805	894	1,001
Cellphone Allowance	3	82	146	126	145	126	126	147	164	183
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	189	140	32	37	24	24	28	31	35
Payments in lieu of leave		-	150	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5,235	7,354	6,577	7,564	6,134	6,134	7,177	7,967	8,923
% increase	4		40.5%	(10.6%)	15.0%	(18.9%)	-	17.0%	11.0%	12.0%
Other Municipal Staff										
Basic Salaries and Wages		232,972	230,149	294,164	304,156	318,111	318,111	336,848	391,695	450,033
Pension and UIF Contributions		46,726	53,018	54,032	57,318	57,258	57,258	66,992	74,361	83,284
Medical Aid Contributions		14,431	18,187	20,521	23,820	23,581	23,581	27,589	30,624	34,299
Overtime		34,494	39,275	41,238	32,149	48,502	48,502	56,747	62,989	70,548
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	16,077	17,887	19,487	23,686	14,967	14,967	17,511	19,438	21,770
Cellphone Allowance	3	872	1,544	1,715	2,424	1,814	1,814	2,122	2,355	2,638
Housing Allowances	3	2,626	2,736	2,525	3,778	2,786	2,786	3,260	3,619	4,053
Other benefits and allowances	3	3,104	27,227	5,955	9,197	3,303	3,303	3,865	4,290	4,805
Payments in lieu of leave		3,121	5,684	2,248	2,440	4,052	4,052	4,741	5,263	5,894
Long service awards		895	3,473	3,977	986	4,102	4,102	4,799	5,327	5,966
Post-retirement benefit obligations	6	28,677	11,686	7,457	15,925	7,964	7,964	9,318	10,343	11,584
Sub Total - Other Municipal Staff		383,996	410,864	453,319	475,879	486,439	486,439	533,792	610,303	694,874
% increase	4		7.0%	10.3%	5.0%	2.2%	-	9.7%	14.3%	13.9%
Total Parent Municipality		408,533	439,144	485,788	511,167	520,298	520,298	570,380	649,446	736,843
			7.5%	10.6%	5.2%	1.8%	-	9.6%	13.9%	13.5%

MP322 Mbombela - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	419,117	105,193	200,490			724,801
Chief Whip		1	386,971	104,569	189,567			681,108
Executive Mayor		1	536,607	118,780	244,183			899,570
Deputy Executive Mayor		-	-	-	-			-
Executive Committee		9	3,320,217	612,108	1,516,535			5,448,860
Total for all other councillors		78	16,570,520	2,130,258	6,187,883			24,888,661
Total Councillors	8	90	21,233,433	3,070,908	8,338,658			32,643,000
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1,124,992	319,258	301,910	-		1,746,160
Chief Finance Officer			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
<i>List of each official with packages >= senior manager</i>								
Chief Operating Officer		1	1,030,360	187,947	182,333	-		1,400,640
GM:LED		1	772,747	192,255	168,000	-		1,133,002
GM :Technical		1	825,289	166,899	204,000	-		1,196,188
GM: Planning		1	928,574	196,410	24,000	-		1,148,984
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
Total Senior Managers of the Municipality	8,10	5	4,681,962	1,062,770	880,243	-		6,624,975

MP322 Mbombela - Supporting Table SA24 Summary of personnel numbers

Number	Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)			-	-	77	-	-	77	-	-
Board Members of municipal entities	4		-	-	-	-	-	-	-	-
Municipal employees	5		1,665	1,518	-	1,982	1,466	-	1,982	1,466
Municipal Manager and Senior Managers	3		9	-	7	8	-	5	8	-
Other Managers	7		72	68	-	97	69	-	97	69
Professionals			131	121	-	179	128	-	179	128
Finance			29	28	-	45	31	-	45	31
Spatial/town planning			14	13	-	10	9	-	10	9
Information Technology			-	-	-	-	-	-	-	-
Roads			8	7	-	11	7	-	11	7
Electricity			8	9	-	10	8	-	10	8
Water			3	5	-	10	6	-	10	6
Sanitation			-	-	-	-	-	-	-	-
Refuse			3	3	-	6	6	-	6	6
Other			66	56	-	87	61	-	87	61
Technicians			390	348	-	420	295	-	420	295
Finance			89	77	-	98	73	-	98	73
Spatial/town planning			22	23	-	16	13	-	16	13
Information Technology			-	-	-	-	-	-	-	-
Roads			15	15	-	20	15	-	20	15
Electricity			23	20	-	19	14	-	19	14
Water			23	14	-	42	22	-	42	22
Sanitation			-	-	-	-	-	-	-	-
Refuse			12	10	-	12	10	-	12	10
Other			206	189	-	213	148	-	213	148
Clerks (Clerical and administrative)			156	144	-	273	197	-	273	197
Service and sales workers			-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers			-	-	-	-	-	-	-	-
Craft and related trades			-	-	-	-	-	-	-	-
Plant and Machine Operators			193	182	-	354	253	-	354	253
Elementary Occupations			714	638	-	651	524	-	651	524
TOTAL PERSONNEL NUMBERS	9		3,330	3,019	84	3,964	2,932	82	3,964	2,932
% increase						19.0%	(2.9%)	(2.4%)	-	-
Total municipal employees headcount	6, 10		1,665	1,596	7	1,982	1,466	6	1,982	1,466
Finance personnel headcount	8, 10		154	152	3	204	147	4	204	147
Human Resources personnel headcount	8, 10		72	59	5	80	58	7	80	58

MP322 Mbombela - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand																
Revenue By Source																
Property rates		24,278	24,741	24,283	23,903	24,369	24,876	32,801	28,469	34,015	34,184	34,008	49,863	359,793	389,941	426,010
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		45,591	52,725	53,651	55,394	56,928	54,112	58,870	51,695	58,882	58,651	59,999	135,162	741,660	835,794	945,728
Service charges - water revenue		2,448	2,265	3,101	3,360	2,280	3,437	3,412	3,864	3,963	3,421	3,063	11,144	45,759	68,563	100,707
Service charges - sanitation revenue		1,845	1,562	1,452	1,545	1,457	1,549	1,486	1,215	1,245	1,245	876	947	16,424	13,670	11,378
Service charges - refuse revenue		5,143	6,452	6,215	6,149	6,358	6,289	6,125	6,185	6,135	6,169	6,452	11,085	78,758	86,571	95,424
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1,526	1,815	2,152	2,052	2,189	2,215	2,136	2,125	2,015	2,135	2,519	4,928	27,810	31,147	34,885
Interest earned - external investments		425	648	579	648	789	816	875	948	768	845	915	1,216	9,475	10,611	11,885
Interest earned - outstanding debtors		1,125	1,235	1,526	1,345	1,453	1,435	1,549	1,545	1,425	1,485	1,545	2,332	18,003	20,163	22,582
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		985	985	1,453	1,235	1,352	1,425	1,345	1,458	1,145	1,215	1,435	1,775	15,811	17,708	19,833
Licences and permits		0	0	0	0	0	0	0	0	0	0	0	0	2	2	3
Agency services		7,524	8,695	10,152	11,453	11,897	12,485	13,452	12,452	12,958	13,452	15,485	20,427	150,434	168,486	193,759
Transfers recognised - operational		155,445	934	-	-	129,554	-	-	-	288,781	-	-	-	574,714	614,100	669,574
Other revenue		4,153	4,512	5,482	5,126	4,896	5,685	5,254	4,352	5,452	5,485	7,855	9,059	67,312	62,591	59,608
Gains on disposal of PPE		366	366	366	366	366	366	366	366	366	366	366	366	4,390	4,917	5,507
Total Revenue (excluding capital transfers and contributions)		250,856	106,936	110,413	112,577	243,889	114,691	127,671	114,676	417,153	128,657	134,519	248,304	2,110,344	2,324,265	2,596,883
Expenditure By Type																
Employee related costs		32,745	36,828	35,861	37,387	37,200	38,208	40,202	38,895	47,854	46,908	48,007	100,876	540,969	618,270	703,797
Remuneration of councillors		1,777	1,777	1,777	1,732	1,743	1,733	2,013	2,162	2,162	2,162	2,123	8,250	29,411	31,176	33,046
Debt impairment		6,434	6,434	6,434	6,434	6,434	6,434	6,434	6,434	6,434	6,434	6,434	2,782	73,557	70,837	68,552
Depreciation & asset impairment		15,921	15,921	15,921	15,921	15,921	15,921	15,921	15,921	15,921	15,921	15,921	15,921	191,056	197,235	203,613
Finance charges		-	-	-	-	-	27,170	-	-	-	-	-	27,170	54,340	52,233	50,195
Bulk purchases		-	34,203	30,630	30,353	63,699	29,390	34,745	31,639	30,278	54,889	73,309	111,240	524,375	594,654	679,333
Other materials		2,813	3,966	3,700	4,490	4,370	3,768	3,535	3,462	4,562	3,165	6,227	6,103	50,161	53,733	57,559
Contracted services		17,224	18,444	24,914	23,775	39,018	24,521	19,429	26,168	33,070	25,237	48,491	38,474	338,764	354,090	365,667
Transfers and grants		76	293	4,858	4,966	6,587	5,341	11,899	8,177	3,655	5,482	10,452	58,251	120,039	119,515	133,516
Other expenditure		8,478	4,273	6,561	28,335	18,452	10,255	11,255	12,485	13,152	14,522	25,485	58,213	211,467	228,754	244,977
Total Expenditure		85,469	122,139	130,656	153,393	193,423	162,742	145,434	145,345	157,090	174,719	236,449	427,281	2,134,140	2,320,497	2,540,254
Surplus/(Deficit)		165,387	(15,203)	(20,243)	(40,816)	50,467	(48,051)	(17,763)	(30,668)	260,063	(46,062)	(101,930)	(178,977)	(23,796)	3,768	56,629
Transfers recognised - capital		8,500	15,000	25,500	33,000	34,000	27,000	29,000	35,000	3,700	42,000	65,000	88,892	406,592	424,738	453,671
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		173,887	(203)	5,257	(7,816)	84,467	(21,051)	11,237	4,332	263,763	(4,062)	(36,930)	(90,085)	382,796	428,505	510,300
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	173,887	(203)	5,257	(7,816)	84,467	(21,051)	11,237	4,332	263,763	(4,062)	(36,930)	(90,085)	382,796	428,505	510,300

MP322 Mbombela - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand																
Revenue by Vote																
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - PLANNING, PERFORMANCE & MONITOR		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - DEPUTY MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - FINANCIAL SERVICES		153,845	62,500	78,500	7,500	129,554	86,400	45,000	73,245	105,264	62,155	28,450	39,582	871,995	959,194	1,055,114
Vote 7 - TRANSVERAL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - CORPORATE SERVICES		-	215	-	255	-	125	52	89	125	125	253	453	1,694	1,745	1,797
Vote 9 - COMMUNITY SERVICES		12,451	15,425	13,524	11,452	9,845	8,759	7,895	14,186	15,425	25,485	35,422	62,767	232,638	253,575	281,468
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		-	1,453	1,246	895	785	876	1,249	758	845	985	458	727	10,277	10,585	10,797
Vote 11 - INFRASTRUCTURE DEVELOPMENT		125,486	89,452	98,543	100,584	189,749	115,486	118,745	115,486	113,485	85,425	76,485	171,406	1,400,333	1,523,903	1,701,378
Vote 12 - WATER & SANITATION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		291,782	169,045	191,813	120,686	329,933	211,645	172,942	203,765	235,145	174,175	141,069	274,936	2,516,936	2,749,003	3,050,554
Expenditure by Vote to be appropriated																
Vote 1 - COUNCIL		2,516	3,680	3,219	3,966	3,670	3,858	3,009	3,446	4,418	2,988	3,302	292	38,362	39,130	39,912
Vote 2 - COUNCIL SUPPORT		1,198	1,224	1,429	1,351	1,346	1,569	1,469	1,515	1,377	1,465	1,668	14,234	29,846	30,443	31,052
Vote 3 - PLANNING, PERFORMANCE & MONITOR		1,828	2,185	1,591	2,589	3,022	2,098	2,714	1,744	2,411	5,039	4,405	21,799	51,424	52,453	53,502
Vote 4 - MUNICIPAL MANAGER		6,924	1,529	6,548	1,592	1,521	1,521	1,312	1,298	1,607	1,949	1,988	464	28,255	28,820	29,396
Vote 5 - DEPUTY MUNICIPAL MANAGER		127	851	755	818	1,118	714	945	723	630	1,630	1,314	857	10,481	10,691	10,905
Vote 6 - FINANCIAL SERVICES		4,764	7,196	11,461	11,433	8,911	14,103	11,178	8,050	8,598	8,429	8,684	59,169	161,976	179,793	201,368
Vote 7 - TRANSVERAL		311	329	586	475	638	705	645	672	790	741	529	2,988	9,409	9,597	9,789
Vote 8 - CORPORATE SERVICES		2,810	9,332	6,775	6,377	7,173	2,475	13,779	8,735	6,173	6,477	8,273	22,244	100,623	112,698	127,349
Vote 9 - COMMUNITY SERVICES		14,097	36,450	38,053	54,562	26,497	51,916	31,559	61,633	34,020	59,267	45,727	129,884	583,665	642,032	706,235
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		2,178	2,504	2,749	2,919	2,395	3,377	2,706	3,987	2,630	2,749	2,505	33,237	63,935	65,214	66,518
Vote 11 - INFRASTRUCTURE DEVELOPMENT		10,843	41,550	133,522	79,139	42,909	84,648	68,060	71,886	81,440	106,869	66,376	9,710	796,952	872,271	964,684
Vote 12 - WATER & SANITATION		7,452	26,846	29,785	21,485	12,458	13,486	21,452	20,453	21,845	15,483	35,481	32,985	259,211	277,356	299,545
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		55,048	133,676	236,471	186,707	111,657	180,471	158,827	184,142	165,938	213,086	180,253	327,864	2,134,140	2,320,497	2,540,254
Surplus/(Deficit) before assoc.		236,734	35,369	(44,658)	(66,021)	218,276	31,174	14,115	19,623	69,206	(38,911)	(39,184)	(52,928)	382,796	428,505	510,300
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	236,734	35,369	(44,658)	(66,021)	218,276	31,174	14,115	19,623	69,206	(38,911)	(39,184)	(52,928)	382,796	428,505	510,300

MP322 Mbombela - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand																
Revenue - Standard																
Governance and administration		166,080	84,284	100,175	33,969	166,262	152,385	98,322	77,691	171,551	128,019	92,386	81,865	1,352,991	1,380,051	1,407,652
Executive and council		235	284	675	987	1,258	985	870	988	875	453	485	496	8,593	8,765	8,940
Budget and treasury office		153,845	62,500	78,500	7,500	129,554	86,400	45,000	73,245	105,264	62,155	28,450	16,059	848,471	865,441	882,750
Corporate services		12,000	21,500	21,000	25,482	35,450	65,000	52,452	3,458	65,412	65,412	63,451	65,310	495,927	505,846	515,962
Community and public safety		1,876	3,825	3,198	2,516	2,482	2,133	1,832	1,732	1,771	1,510	1,858	2,399	27,133	27,675	28,229
Community and social services		-	125	-	79	135	-	158	-	128	-	-	343	969	988	1,008
Sport and recreation		1,876	2,846	2,846	1,853	1,895	1,897	1,485	1,486	1,285	1,125	1,643	1,682	21,918	22,356	22,803
Public safety		-	854	352	585	452	236	188	246	358	385	216	375	4,247	4,332	4,418
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		5,947	6,374	11,951	16,363	19,348	15,957	13,197	18,334	22,743	36,429	29,044	58,522	254,210	336,679	461,436
Planning and development		325	390	498	578	589	715	649	849	898	645	568	410	7,114	7,257	7,402
Road transport		5,622	5,984	11,453	15,785	18,758	15,242	12,549	17,486	21,846	35,784	28,476	58,112	247,096	329,422	454,034
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		55,028	63,005	64,419	66,448	67,023	65,387	69,893	62,960	70,225	69,486	70,390	158,338	882,602	1,004,598	1,153,237
Electricity		45,591	52,725	53,651	55,394	56,928	54,112	58,870	51,695	58,882	58,651	59,999	135,162	741,660	835,794	945,728
Water		2,448	2,265	3,101	3,360	2,280	3,437	3,412	3,864	3,963	3,421	3,063	11,144	45,759	68,563	100,707
Waste water management		1,845	1,562	1,452	1,545	1,457	1,549	1,486	1,215	1,245	1,245	876	947	16,424	13,670	11,378
Waste management		5,143	6,452	6,215	6,149	6,358	6,289	6,125	6,185	6,135	6,169	6,452	11,085	78,758	86,571	95,424
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard		228,930	157,488	179,744	119,296	255,115	235,863	183,243	160,716	266,291	235,445	193,679	301,124	2,516,936	2,749,003	3,050,554
Expenditure - Standard																
Governance and administration		15,468	35,503	36,732	37,569	37,668	48,368	38,915	39,744	48,230	50,692	49,643	49,471	488,000	502,640	522,746
Executive and council		7,894	8,975	8,496	9,758	11,584	11,789	13,958	12,958	13,459	15,785	12,685	17,354	144,697	149,038	155,000
Budget and treasury office		4,764	7,196	11,461	11,433	8,911	14,103	11,178	8,050	8,598	8,429	8,684	1,774	104,580	107,718	112,026
Corporate services		2,810	19,332	16,775	16,377	17,173	22,475	13,779	18,735	26,173	26,477	28,273	30,343	238,723	245,884	255,720
Community and public safety		14,129	17,673	17,650	21,867	21,827	22,351	21,802	24,505	24,212	25,058	23,752	24,738	259,565	267,352	278,046
Community and social services		1,235	2,521	3,512	3,985	3,846	2,985	2,785	1,985	2,351	3,845	3,785	2,309	35,146	36,201	37,649
Sport and recreation		7,683	9,858	8,459	10,854	11,255	12,459	11,846	13,987	12,846	12,986	11,258	10,276	133,767	137,780	143,291
Public safety		4,860	4,852	4,898	6,252	5,845	6,126	6,486	7,846	8,460	7,894	8,486	11,968	83,974	86,494	89,953
Housing		255	345	685	679	785	685	590	590	459	235	125	89	5,520	5,686	5,913
Health		96	96	96	96	96	96	96	96	96	96	96	96	1,157	1,191	1,239
Economic and environmental services		12,438	23,741	37,792	29,973	28,703	33,010	30,308	43,344	40,247	43,035	57,538	65,320	445,449	581,146	731,329
Planning and development		986	1,255	1,898	1,988	2,105	3,153	3,453	3,486	3,987	4,582	8,946	10,121	45,957	47,336	49,229
Road transport		11,452	22,486	35,895	27,985	26,598	29,858	26,855	39,858	36,260	38,453	48,593	55,199	399,491	533,809	682,099
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		3,525	45,230	55,216	64,183	64,889	63,681	59,107	66,992	75,689	86,114	134,724	219,137	938,486	966,640	1,005,306
Electricity		-	33,254	30,221	31,863	33,412	30,367	29,174	34,412	39,174	53,412	93,361	162,377	571,024	588,155	611,681
Water		-	2,012	10,489	15,489	15,489	16,489	12,489	13,489	12,489	13,489	15,489	27,573	154,982	159,632	166,017
Waste water management		-	985	4,255	4,846	4,536	4,366	4,986	4,570	7,569	5,689	6,895	14,842	63,539	65,445	68,063
Waste management		3,525	8,979	10,251	11,985	11,453	12,459	12,459	14,522	16,458	13,525	18,978	14,346	148,940	153,408	159,545
Other		220	220	220	220	220	220	220	220	220	220	220	220	2,640	2,719	2,828
Total Expenditure - Standard		45,779	122,366	147,610	153,812	153,307	167,630	150,352	174,804	188,598	205,119	265,877	358,886	2,134,140	2,320,497	2,540,254
Surplus/(Deficit) before assoc.		183,151	35,122	32,134	(34,516)	101,809	68,233	32,891	(14,088)	77,694	30,326	(72,197)	(57,762)	382,796	428,505	510,300
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	183,151	35,122	32,134	(34,516)	101,809	68,233	32,891	(14,088)	77,694	30,326	(72,197)	(57,762)	382,796	428,505	510,300

MP322 Mbombela - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Multi-year expenditure to be appropriated</u>	1															
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT		-	-	450	-	450	-	1,100	-	-	-	-	-	2,000	1,900	2,050
Vote 3 - PLANNING,PERFORMANACE & MONITOR		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	750	550	-	1,500	-	-	1,200	-	-	228	4,228	5,536	7,723
Vote 5 - DEPUTY MUNICIPAL MANAGER		-	250	-	250	-	-	-	-	-	-	-	-	500	350	350
Vote 6 - FINANCIAL SERVICES		-	1,200	-	550	750	-	1,200	750	-	1,489	-	0	5,939	9,978	14,649
Vote 7 - TRANSVERAL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - CORPORATE SERVICES		-	-	1,500	850	1,250	-	1,500	1,800	-	350	-	-	7,250	7,909	11,033
Vote 9 - COMMUNITY SERVICES		-	2,500	2,850	1,500	-	750	-	3,500	6,500	3,500	1,500	3,397	25,997	33,342	44,569
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		-	1,500	1,750	2,500	-	8,500	-	3,500	1,500	3,500	2,720	0	25,470	39,559	53,399
Vote 11 - INFRASTRUCTURE DEVELOPMENT		-	11,452	10,500	8,500	12,500	5,000	15,000	8,500	12,500	3,500	4,500	8,999	100,951	193,286	176,632
Vote 12 - WATER & SANITATION		-	12,500	10,500	13,500	9,500	10,500	11,500	12,500	13,500	15,000	12,000	19,505	140,505	262,113	302,213
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	29,402	28,300	28,200	24,450	26,250	30,300	30,550	35,200	27,339	20,720	32,130	312,841	553,974	612,618
<u>Single-year expenditure to be appropriated</u>																
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - PLANNING,PERFORMANACE & MONITOR		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - DEPUTY MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - FINANCIAL SERVICES		-	-	500	-	500	-	-	-	-	-	-	-	1,000	-	-
Vote 7 - TRANSVERAL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - CORPORATE SERVICES		-	-	-	500	-	-	-	-	-	-	-	-	500	-	-
Vote 9 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		-	-	500	470	-	-	-	-	-	-	-	-	970	-	-
Vote 11 - INFRASTRUCTURE DEVELOPMENT		-	8,500	10,500	12,500	13,500	2,500	14,500	15,500	16,500	18,500	11,500	19,065	143,065	3,860	10,000
Vote 12 - WATER & SANITATION		-	3,500	10,500	11,500	12,500	3,500	7,500	8,600	5,600	7,500	5,500	10,195	86,395	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	-	12,000	22,000	24,970	26,500	6,000	22,000	24,100	22,100	26,000	17,000	29,260	231,930	3,860	10,000
Total Capital Expenditure	2	-	41,402	50,300	53,170	50,950	32,250	52,300	54,650	57,300	53,339	37,720	61,390	544,771	557,834	622,618

MP322 Mbombela - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand																
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		-	1,200	1,500	1,400	2,000	-	2,700	2,550	1,500	1,839	2,500	10,763	27,952	31,608	42,815
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	1,200	-	550	750	-	1,200	750	-	1,489	-	4,084	10,023	13,213	20,159
Corporate services		-	-	1,500	850	1,250	-	1,500	1,800	1,500	350	2,500	6,678	17,928	18,396	22,656
<i>Community and public safety</i>		-	2,500	2,850	3,970	2,850	2,500	3,100	2,100	2,200	2,500	3,500	11,243	39,313	32,889	17,305
Community and social services		-	2,500	2,850	3,500	2,850	2,500	3,100	2,100	2,200	2,500	3,500	11,243	38,843	32,889	17,305
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	470	-	-	-	-	-	-	-	-	470	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	4,350	5,750	17,500	25,500	20,150	23,600	21,900	23,500	17,600	19,000	17,662	196,512	193,919	204,291
Planning and development		-	850	1,250	2,500	3,500	1,650	2,100	2,400	2,500	2,100	2,500	2,320	23,670	37,029	50,616
Road transport		-	3,500	4,500	15,000	22,000	18,500	21,500	19,500	21,000	15,500	16,500	15,342	172,842	156,890	153,675
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	13,202	16,850	23,500	18,100	29,250	21,850	35,550	18,400	28,850	22,350	53,092	280,994	299,417	358,206
Electricity		-	-	3,500	2,150	850	1,500	3,500	2,850	1,850	1,950	2,500	8,089	28,739	21,004	29,107
Water		-	11,452	10,500	18,500	12,500	25,000	15,000	28,500	12,500	23,500	14,500	36,325	208,277	232,789	295,901
Waste water management		-	1,500	2,500	2,500	3,500	1,250	2,500	3,250	2,800	2,150	4,500	7,773	34,223	29,324	6,234
Waste management		-	250	350	350	1,250	1,500	850	950	1,250	1,250	850	905	9,755	16,300	26,964
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	-	21,252	26,950	46,370	48,450	51,900	51,250	62,100	45,600	50,789	47,350	92,759	544,771	557,834	622,618
Funded by:																
National Government		-	3,500	14,500	25,000	22,000	28,500	31,500	39,500	41,000	55,500	56,500	89,092	406,592	424,738	453,671
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Transfers recognised - capital</i>		-	3,500	14,500	25,000	22,000	28,500	31,500	39,500	41,000	55,500	56,500	89,092	406,592	424,738	453,671
Public contributions & donations		-	250	850	650	-	950	-	-	-	-	-	358	3,058	3,425	3,836
Borrowing		-	-	2,500	-	3,500	-	4,500	2,350	4,500	2,500	2,300	13,130	35,280	-	-
Internally generated funds		-	7,752	12,450	1,370	6,450	3,400	9,750	22,600	4,600	8,500	15,500	7,469	99,841	129,672	165,111
Total Capital Funding		-	11,502	30,300	27,020	31,950	32,850	45,750	64,450	50,100	66,500	74,300	110,048	544,771	557,834	622,618

MP322 Mbombela - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Cash Receipts By Source</u>														1		
Property rates	24,278	24,741	24,283	23,903	24,369	24,876	32,801	28,469	34,015	34,186	34,008	30,989	340,918	372,310	409,541	
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue	45,591	52,725	73,651	55,394	76,928	54,112	68,870	61,695	78,882	68,651	89,999	88,690	815,188	922,217	1,048,320	
Service charges - water revenue	2,448	2,265	3,101	3,360	2,280	3,437	3,412	3,864	3,963	3,421	3,063	9,173	43,788	66,722	98,987	
Service charges - sanitation revenue	1,845	1,562	1,452	1,245	1,257	1,249	1,286	1,215	1,245	854	876	1,047	15,134	12,465	10,252	
Service charges - refuse revenue	3,143	5,452	5,215	5,149	5,358	4,289	4,125	4,185	4,135	3,169	4,452	3,227	51,901	61,483	71,988	
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment	1,526	1,815	2,152	2,052	2,189	2,215	2,136	2,125	2,015	2,135	2,519	4,928	27,810	31,147	34,885	
Interest earned - external investments	425	648	579	648	789	816	875	948	768	845	915	9,744	18,003	20,163	22,582	
Interest earned - outstanding debtors	325	435	526	845	853	835	849	545	925	885	845	1,604	9,475	10,611	11,885	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines	253	352	453	335	352	325	445	458	445	415	335	203	4,374	4,899	5,487	
Licences and permits	0	0	0	0	0	0	0	0	0	0	0	0	2	2	3	
Agency services	7,524	8,695	10,152	11,453	11,897	12,485	13,452	12,452	12,958	13,452	15,485	20,427	150,434	168,486	193,759	
Transfer receipts - operational	155,445	934	-	-	129,554	-	-	-	185,569	-	-	-	471,502	506,459	547,483	
Other revenue	4,153	4,512	5,482	5,126	4,896	5,685	5,254	4,352	5,452	5,485	7,855	9,059	67,312	62,591	59,608	
<u>Cash Receipts by Source</u>	246,958	104,138	127,047	109,511	260,724	110,325	133,505	120,311	330,375	133,500	160,353	179,092	2,015,840	2,239,554	2,514,779	
<u>Other Cash Flows by Source</u>																
Transfer receipts - capital	127,026	1,400	4,000	51,800	143,500	2,500	58,378	2,000	119,200	-	-	-	509,804	532,379	575,762	
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on disposal of PPE	-	-	-	2,500	-	-	-	-	-	-	-	1,890	4,390	4,917	5,507	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	22,245	-	-	-	-	-	22,245	44,490	-	-	
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<u>Total Cash Receipts by Source</u>	373,984	105,538	131,047	163,811	404,224	135,070	191,883	122,311	449,575	133,500	160,353	203,227	2,574,524	2,776,850	3,096,048	
<u>Cash Payments by Type</u>																
Employee related costs	32,745	36,828	35,861	37,387	37,200	38,208	40,202	38,895	47,854	46,908	48,007	100,876	540,969	618,270	703,797	
Remuneration of councillors	1,777	1,777	1,777	1,732	1,743	1,733	2,013	2,162	2,162	2,162	2,123	8,250	29,411	31,176	33,046	
Finance charges	-	-	-	-	-	20,099	-	-	-	-	-	20,099	40,199	38,092	36,054	
Bulk purchases - Electricity	-	34,203	30,630	30,353	33,699	29,390	34,745	31,639	30,278	54,889	73,309	84,494	467,630	534,220	614,971	
Bulk purchases - Water & Sewer	-	2,012	3,585	4,528	3,846	3,527	4,528	5,628	6,453	7,685	8,459	6,494	56,746	60,434	64,363	
Other materials	2,813	3,966	3,700	4,490	4,370	3,768	3,535	3,462	4,562	3,165	6,227	6,721	50,779	55,065	59,713	
Contracted services	17,224	18,444	24,914	23,775	39,018	24,521	19,423	26,168	33,070	25,237	48,491	38,474	338,764	354,090	365,667	
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other	76	293	4,858	4,966	6,587	5,341	11,899	8,177	3,655	5,482	10,452	58,251	120,039	119,515	133,516	
Other expenditure	8,478	4,273	6,561	28,335	18,452	10,255	11,255	12,485	13,152	14,522	25,485	57,595	210,849	227,422	242,823	
<u>Cash Payments by Type</u>	63,114	101,796	111,885	135,566	144,913	136,842	127,607	128,618	141,187	160,049	222,553	381,255	1,855,386	2,038,284	2,253,948	
<u>Other Cash Flows/Payments by Type</u>																
Capital assets	3,500	8,500	35,000	45,000	55,000	14,500	65,000	75,000	80,000	78,000	35,000	50,271	544,771	557,834	622,618	
Repayment of borrowing	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	18,600	20,560	23,451	
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<u>Total Cash Payments by Type</u>	68,164	111,846	148,435	182,116	201,463	152,892	194,157	205,168	222,737	239,599	259,103	433,076	2,418,757	2,616,678	2,900,017	
NET INCREASE/(DECREASE) IN CASH HELD	305,820	(6,308)	(17,388)	(18,305)	202,760	(17,823)	(2,273)	(82,857)	226,838	(106,099)	(98,749)	(229,849)	155,767	160,172	196,031	
Cash/cash equivalents at the month/year begin:	153,786	459,606	453,298	435,910	417,605	620,366	602,543	600,270	517,412	744,250	638,151	539,402	153,786	309,553	469,725	
Cash/cash equivalents at the month/year end:	459,606	453,298	435,910	417,605	620,366	602,543	600,270	517,412	744,250	638,151	539,402	309,553	469,725	665,755		

MP322 Mbombela - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.		Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
		Number				
Absa Bank	Yrs	5		Banking Services	31 October 2017	
Tedcor Pty Ltd	Yrs	3		Refuse Removal		7,500
Sembcorp Silulumanzi	Yrs	30		Water and Sanitation	30 November 2013	
UMS Utility	Yrs	3		Credit Control & Free Basic Services	31 August 2015	4,500
African Meter Readers (AMR)	Yrs	3		Meter Reading	30 September 2015	3,000
Various Security Companies	Yrs	3		Security Services	29 February 2016	30,000
Business Connexion	Yrs	5		ICT Services	30 June 2015	10,500
Rand Water	Yrs	3		Bulk Water Supply	30 September 2017	42,000
S & B Partners	Yrs	3		Cost and Management Accounting	31 May 2017	12,500
Rand Water	Yrs	3		Bulk Water Supply	30 September 2017	42,000
Tlou Consulting Services	Yrs	3		Asset Register Update and Maintenance	30 November 2017	14,500
Platinum Sport	Yrs	3		Mbombela Stadium Management	31 December 2015	19,800

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MP322 Mbombela - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure	1	115,134	142,720	143,727	183,126	289,205	289,205	153,053	131,829	135,174
Infrastructure - Road transport		44,600	117,921	83,741	84,742	121,597	121,597	90,954	86,780	88,875
Roads, Pavements & Bridges		44,600	90,842	83,741	84,742	121,597	121,597	90,954	86,780	88,875
Storm water		27,079	–	–	–	–	–	–	–	–
Infrastructure - Electricity		13,277	2,851	4,068	19,034	39,931	39,931	5,255	10,140	13,158
Generation		–	–	–	–	–	–	–	–	–
Transmission & Reticulation		13,277	2,851	4,068	19,034	39,931	39,931	5,255	10,140	13,158
Street Lighting		–	–	–	–	–	–	–	–	–
Infrastructure - Water		38,500	–	36,345	65,448	93,745	93,745	45,588	14,847	5,900
Dams & Reservoirs		–	–	–	–	–	–	–	–	–
Water purification		–	–	–	–	–	–	–	–	–
Reticulation		38,500	–	36,345	65,448	93,745	93,745	45,588	14,847	5,900
Infrastructure - Sanitation		14,224	20,146	16,733	7,032	16,683	16,683	5,500	8,762	7,277
Reticulation		–	–	–	–	–	–	–	–	–
Sewerage purification		14,224	20,146	16,733	7,032	16,683	16,683	5,500	8,762	7,277
Infrastructure - Other		4,533	1,802	2,840	6,870	17,249	17,249	5,755	11,300	19,964
Waste Management		–	151	–	–	–	–	–	–	–
Transportation		–	–	–	–	–	–	–	–	–
Gas		–	–	–	–	–	–	–	–	–
Other	2	4,533	1,651	2,840	6,870	17,249	17,249	5,755	11,300	19,964
Community	3	5,825	17,361	6,660	5,183	8,053	8,053	7,849	8,006	8,166
Parks & gardens		30	–	–	–	–	–	–	–	–
Sportsfields & stadia		610	11,265	4,858	1,292	1,292	1,292	1,318	1,344	1,371
Swimming pools		–	–	–	–	–	–	–	–	–
Community halls		1,112	3,409	420	3,754	6,267	6,267	6,392	6,520	6,650
Libraries		–	–	–	–	–	–	–	–	–
Recreational facilities		2,114	1,013	–	358	358	358	–	–	–
Fire, safety & emergency		–	–	–	–	–	–	–	–	–
Security and policing		1,903	183	274	–	–	–	–	–	–
Buses		–	–	–	–	–	–	–	–	–
Clinics		–	–	–	–	–	–	–	–	–
Museums & Art Galleries		–	–	–	–	–	–	–	–	–
Cemeteries		–	–	–	–	–	–	–	–	–
Social rental housing		–	–	–	–	–	–	–	–	–
Other	8	2,170	390	95	137	137	137	139	142	145
Heritage assets	9	1,414	367	–	–	–	–	–	–	–
Buildings		1,414	367	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Investment properties	10	–	–	–	–	–	–	–	–	–
Housing development		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Other assets	10	27,832	859	7,221	15,913	30,693	30,693	31,307	31,933	32,572
General vehicles		13,400	–	2,635	7,980	16,694	16,694	17,027	17,368	17,715
Specialised vehicles		–	–	–	–	–	–	–	–	–
Plant & equipment		2,207	–	–	–	–	–	–	–	–
Computers - hardware/equipment		3,640	195	2,396	2,212	5,734	5,734	5,848	5,965	6,084
Furniture and other office equipment		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Markets		1,373	390	349	–	–	–	–	–	–
Civic Land and Buildings		490	–	243	1,912	1,912	1,912	1,951	1,990	2,029
Other Buildings		–	–	1,135	3,205	5,750	5,750	5,865	5,983	6,102
Other Land		–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–	–	–	–	–	–	–
Other		6,722	274	464	604	604	604	616	628	641
Agricultural assets		–	1,716	179	–	–	–	–	–	–
<i>List sub-class</i>		–	1,716	179	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
<i>List sub-class</i>		–	–	–	–	–	–	–	–	–
Intangibles		875	–	3,431	–	–	–	–	–	–
Computers - software & programming		875	–	3,431	–	–	–	–	–	–
<i>Other (List sub-class)</i>		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	151,079	163,023	161,218	204,222	327,951	327,951	192,209	171,768	175,912

MP322 Mbombela - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		40,436	68,117	59,209	291,375	339,868	339,868	321,350	354,065	413,895
Infrastructure - Road transport		29,940	37,383	24,202	100,845	138,683	138,683	81,887	70,110	64,800
Roads, Pavements & Bridges		29,940	37,383	24,202	100,845	138,683	138,683	81,887	70,110	64,800
Storm water					–	–	–			
Infrastructure - Electricity		7,208	1,288	4,753	21,042	49,036	49,036	23,483	10,864	15,949
Generation					–	–	–			
Transmission & Reticulation		7,208	1,288	4,753	21,042	49,036	49,036	23,483	10,864	15,949
Street Lighting					–	–	–			
Infrastructure - Water		540	27,044	12,946	77,494	18,733	18,733	154,507	217,943	290,001
Dams & Reservoirs					–	–	–			
Water purification					–	–	–			
Reticulation		540	27,044	12,946	77,494	18,733	18,733	154,507	217,943	290,001
Infrastructure - Sanitation		2,748	607	2,872	69,227	84,869	84,869	28,723	20,824	6,234
Reticulation					–	–	–			
Sewerage purification		2,748	607	2,872	69,227	84,869	84,869	28,723	20,824	6,234
Infrastructure - Other		–	1,795	14,436	22,767	48,545	48,545	32,750	34,324	36,911
Waste Management					14,068	9,010	21,165	21,165	4,000	5,000
Transportation						–	–			
Gas						–	–			
Other		3		368	13,757	27,380	27,380	28,749	29,324	29,911
Community		919	1,480	919	5,971	5,971	5,971	6,150	6,334	6,524
Parks & gardens					–	–	–	–	–	–
Sportsfields & stadia		134		885	1,365	1,365	1,365	1,406	1,448	1,492
Swimming pools					–	–	–	–	–	–
Community halls		785	700		2,453	2,453	2,453	2,526	2,602	2,680
Libraries					–	–	–	–	–	–
Recreational facilities					2,152	2,152	2,152	2,217	2,284	2,352
Fire, safety & emergency					–	–	–	–	–	–
Security and policing					–	–	–	–	–	–
Buses					–	–	–	–	–	–
Clinics					–	–	–	–	–	–
Museums & Art Galleries					–	–	–	–	–	–
Cemeteries					–	–	–	–	–	–
Social rental housing					–	–	–	–	–	–
Other					–	–	–	–	–	–
Heritage assets										
Buildings										
Other										
Investment properties										
Housing development										
Other										
Other assets										
General vehicles		1,363	4,112	7,268	20,950	24,472	24,472	25,062	25,667	26,287
Specialised vehicles			439		6,524	10,046	10,046	10,347	10,657	10,977
Plant & equipment		10	–	–	–	–	–	–	–	–
Computers - hardware/equipment		271	142	448	352	352	352	360	367	374
Furniture and other office equipment			422		–	–	–	–	–	–
Abattoirs			579	489	–	–	–	–	–	–
Markets			347		–	–	–	–	–	–
Civic Land and Buildings		591	376	1,651	7,035	7,035	7,035	7,176	7,319	7,466
Other Buildings			995	4,628	–	–	–	–	–	–
Other Land					–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)					–	–	–	–	–	–
Other		501	813	53	7,039	7,039	7,039	7,180	7,323	7,470
Agricultural assets										
<i>List sub-class</i>										
Biological assets										
<i>List sub-class</i>										
Intangibles										
Computers - software & programming		1,151	–	–	–	–	–	–	–	–
Other (list sub-class)		1,151								
Total Capital Expenditure on renewal of existing	1	43,869	73,709	69,523	318,296	370,310	370,310	352,561	386,066	446,706
Specialised vehicles			–	–	–	–	–	–	–	–
Refuse										
Fire										
Conservancy										
Ambulances										
<i>Renewal of Existing Assets as % of total capex</i>		22.5%	31.1%	30.7%	60.9%	53.0%	53.0%	64.7%	69.2%	71.7%
<i>Renewal of Existing Assets as % of deprecn"</i>		15.1%	30.6%	31.9%	135.8%	175.4%	175.4%	184.5%	195.7%	219.4%

MP322 Mbombela - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure		108,404	117,981	89,135	79,458	111,147	111,147	111,147	116,704	122,539	129,525
Infrastructure - Road transport		48,307	36,842	47,803	54,469	60,197	60,197	60,197	63,207	66,367	69,685
Roads, Pavements & Bridges		34,949	27,330	47,803	41,621	44,836	44,836	44,836	47,078	49,432	51,904
Storm water		13,358	9,513		12,848	15,360	15,360	15,360	16,128	16,935	17,781
Infrastructure - Electricity		25,046	29,027	35,373	20,619	33,160	33,160	33,160	34,818	36,559	38,387
Generation		13,594	21,524	35,373	20,619	33,160	33,160	33,160	34,818	36,559	38,387
Transmission & Reticulation		—	—		—	—	—	—	—	—	—
Street Lighting		11,452	7,503		—	—	—	—	—	—	—
Infrastructure - Water		13,452	22,165	4,661	1,856	7,498	7,498	7,498	7,873	8,267	8,680
Dams & Reservoirs		—	—		—	—	—	—	—	—	—
Water purification		13,452	22,165	4,661	1,856	7,498	7,498	7,498	7,873	8,267	8,680
Reticulation		—	—		—	—	—	—	—	—	—
Infrastructure - Sanitation		10,767	14,528	—	1,873	6,399	6,399	6,399	6,719	7,055	7,408
Reticulation		—	—		—	—	—	—	—	—	—
Sewerage purification		10,767	14,528		1,873	6,399	6,399	6,399	6,719	7,055	7,408
Infrastructure - Other		10,831	15,417	1,299	641	3,893	3,893	3,893	4,087	4,292	5,364
Waste Management		9,261	12,542	1,299	641	3,893	3,893	3,893	4,087	4,292	5,364
Transportation	2	—	—		—	—	—	—	—	—	—
Gas		—	—		—	—	—	—	—	—	—
Other	3	1,570	2,875		—	—	—	—	—	—	—
Community		15,773	28,076	8,703	7,405	14,600	14,600	14,600	15,330	16,097	16,901
Parks & gardens		317	525	872	5,520	8,774	8,774	8,774	9,213	9,674	10,157
Sportsfields & stadia		6,426	4,822	6,558	833	3,349	3,349	3,349	3,516	3,692	3,877
Swimming pools		389	525		—	—	—	—	—	—	—
Community halls		94	92		—	—	—	—	—	—	—
Libraries		726	985		—	—	—	—	—	—	—
Recreational facilities		171	215		—	—	—	—	—	—	—
Fire, safety & emergency		429	895		—	—	—	—	—	—	—
Security and policing		2,594	12,352	1,273	1,052	2,477	2,477	2,477	2,601	2,731	2,868
Buses	7	—	—		—	—	—	—	—	—	—
Clinics		—	—		—	—	—	—	—	—	—
Museums & Art Galleries		—	—		—	—	—	—	—	—	—
Cemeteries		2,593	3,852		—	—	—	—	—	—	—
Social rental housing	8	—	—		—	—	—	—	—	—	—
Other		2,034	3,812		—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—	—
Buildings		—	—		—	—	—	—	—	—	—
Other	9	—	—		—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—	—
Housing development		—	—		—	—	—	—	—	—	—
Other		—	—		—	—	—	—	—	—	—
Other assets		9,387	7,588	50,182	32,420	47,168	47,168	47,168	49,526	50,236	50,981
General vehicles		—	—	31,816	25,203	33,655	33,655	33,655	35,338	35,338	35,338
Specialised vehicles	10	—	—	—	—	—	—	—	—	—	—
Plant & equipment		4,273	2,752	1,078	1,045	3,557	3,557	3,557	3,735	3,922	4,118
Computers - hardware/equipment		—	—		—	—	—	—	—	—	—
Furniture and other office equipment		735	206		—	—	—	—	—	—	—
Abattoirs		—	—		—	—	—	—	—	—	—
Markets		—	—	—	—	—	—	—	—	—	—
Civic Land and Buildings		4,379	4,630	15,752	4,990	8,242	8,242	8,242	8,654	9,087	9,541
Other Buildings		—	—		—	—	—	—	—	—	—
Other Land		—	—		—	—	—	—	—	—	—
Surplus Assets - (Investment or inventory)		—	—		—	—	—	—	—	—	—
Other		—	—	1,536	1,182	1,714	1,714	1,714	1,800	1,890	1,984
Agricultural assets		—	—	—	—	—	—	—	—	—	—
<i>List sub-class</i>		—	—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—	—
<i>List sub-class</i>		—	—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—	—
Computers - software & programming		—	—		—	—	—	—	—	—	—
Other (list sub-class)		—	—		—	—	—	—	—	—	—
Total Repairs and Maintenance Expenditure	1	133,564	153,645	148,020	119,283	172,915	172,915	172,915	181,561	188,872	197,407
Specialised vehicles		—	—	—	—	—	—	—	—	—	—
Refuse		—	—		—	—	—	—	—	—	—
Fire		—	—		—	—	—	—	—	—	—
Conservancy		—	—		—	—	—	—	—	—	—
Ambulances		—	—		—	—	—	—	—	—	—
R&M as a % of PPE		2.6%	3.0%	2.9%	2.0%	3.3%	3.3%	3.3%	3.3%	3.2%	3.2%
R&M as % Operating Expenditure		8.0%	8.6%	8.0%	6.3%	8.8%	8.8%	8.8%	8.5%	8.1%	7.8%
References											

MP322 Mbombela - Supporting Table SA34d Depreciation by asset class

Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Depreciation by Asset Class/Sub-class										
Infrastructure		287,360	236,328	213,624	198,438	175,438	175,438	173,614	178,294	183,504
Infrastructure - Road transport		148,673	90,707	95,243	100,360	80,360	80,360	73,781	74,469	76,564
Roads, Pavements & Bridges		148,673	90,707	95,243	100,360	80,360	80,360	73,781	74,469	76,564
Storm water		—	—	—	—	—	—	—	—	—
Infrastructure - Electricity		20,847	21,890	22,984	26,542	26,542	26,542	27,869	28,983	29,853
Generation		—	—	—	—	—	—	—	—	—
Transmission & Reticulation		20,847	21,890	22,984	26,542	26,542	26,542	27,869	28,983	29,853
Street Lighting		—	—	—	—	—	—	—	—	—
Infrastructure - Water		17,351	18,219	19,130	42,783	39,783	39,783	41,772	43,443	44,747
Dams & Reservoirs		—	—	—	—	—	—	—	—	—
Water purification		—	—	—	—	—	—	—	—	—
Reticulation		17,351	18,219	19,130	42,783	39,783	39,783	41,772	43,443	44,747
Infrastructure - Sanitation		99,548	104,525	75,231	27,113	27,113	27,113	28,469	29,607	30,495
Reticulation		14,201	14,911	15,657	27,113	27,113	27,113	28,469	29,607	30,495
Sewerage purification		85,347	89,614	59,574	—	—	—	—	—	—
Infrastructure - Other		940	987	1,037	1,641	1,641	1,641	1,723	1,792	1,845
Waste Management		940	987	1,037	1,641	1,641	1,641	1,723	1,792	1,845
Transportation		—	—	—	—	—	—	—	—	—
Gas		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Community		3,928	4,474	4,331	35,973	35,660	35,660	17,443	18,940	20,108
Parks & gardens		3,928	4,125	4,331	23,923	23,923	23,923	—	—	—
Sportsfields & stadia		349	—	—	—	—	—	5,120	6,124	6,908
Swimming pools		—	—	—	—	—	—	—	—	—
Community halls		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Recreational facilities		—	—	—	—	—	—	—	—	—
Fire, safety & emergency		—	—	—	—	—	—	—	—	—
Security and policing		—	—	—	—	—	—	—	—	—
Buses		—	—	—	—	—	—	—	—	—
Clinics		—	—	—	—	—	—	—	—	—
Museums & Art Galleries		—	—	—	—	—	—	—	—	—
Cemeteries		—	—	—	—	—	—	—	—	—
Social rental housing		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—
Buildings		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Housing development		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Other assets		—	—	—	—	—	—	—	—	—
General vehicles		—	—	—	—	—	—	—	—	—
Specialised vehicles		—	—	—	—	—	—	—	—	—
Plant & equipment		—	—	—	—	—	—	—	—	—
Computers - hardware/equipment		—	—	—	—	—	—	—	—	—
Furniture and other office equipment		—	—	—	—	—	—	—	—	—
Abattoirs		—	—	—	—	—	—	—	—	—
Markets		—	—	—	—	—	—	—	—	—
Civic Land and Buildings		—	—	—	—	—	—	—	—	—
Other Buildings		—	—	—	—	—	—	—	—	—
Other Land		—	—	—	—	—	—	—	—	—
Surplus Assets - (Investment or Inventory)		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Agricultural assets		—	—	—	—	—	—	—	—	—
<i>List sub-class</i>		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
<i>List sub-class</i>		—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—
Computers - software & programming		—	—	—	—	—	—	—	—	—
Other (list sub-class)		—	—	—	—	—	—	—	—	—
Total Depreciation	1	291,288	240,802	217,955	234,411	211,098	211,098	191,056	197,235	203,613

MP322 Mbombela - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
Capital expenditure	1							
Vote 1 - COUNCIL		–	–	–	–	–	–	–
Vote 2 - COUNCIL SUPPORT		2,000	1,900	2,050	–	–	–	–
Vote 3 - PLANNING,PERFORMAMNCE & MONITOR		–	–	–	–	–	–	–
Vote 4 - MUNICIPAL MANAGER		4,228	5,536	7,723	–	–	–	–
Vote 5 - DEPUTY MUNICIPAL MANAGER		500	350	350	–	–	–	–
Vote 6 - FINANCIAL SERVICES		6,939	9,978	14,649	–	–	–	–
Vote 7 - TRANSVERAL		–	–	–	–	–	–	–
Vote 8 - CORPORATE SERVICES		7,750	7,909	11,033	–	–	–	–
Vote 9 - COMMUNITY SERVICES		25,997	33,342	44,569	–	–	–	–
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		26,440	39,559	53,399	–	–	–	–
Vote 11 - INFRASTRUCTURE DEVELOPMENT		244,016	197,146	186,632	–	–	–	–
Vote 12 - WATER & SANITATION		226,900	262,113	302,213	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–
<i>List entity summary if applicable</i>					–	–	–	–
Total Capital Expenditure		544,771	557,834	622,618	–	–	–	–
Future operational costs by vote	2							
Vote 1 - COUNCIL		–	–	–	–	–	–	–
Vote 2 - COUNCIL SUPPORT		–	–	–	–	–	–	–
Vote 3 - PLANNING,PERFORMAMNCE & MONITOR		–	–	–	–	–	–	–
Vote 4 - MUNICIPAL MANAGER		–	–	–	–	–	–	–
Vote 5 - DEPUTY MUNICIPAL MANAGER		–	–	–	–	–	–	–
Vote 6 - FINANCIAL SERVICES		–	–	–	–	–	–	–
Vote 7 - TRANSVERAL		–	–	–	–	–	–	–
Vote 8 - CORPORATE SERVICES		–	–	–	–	–	–	–
Vote 9 - COMMUNITY SERVICES		–	–	–	–	–	–	–
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		–	–	–	–	–	–	–
Vote 11 - INFRASTRUCTURE DEVELOPMENT		–	–	–	–	–	–	–
Vote 12 - WATER & SANITATION		–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–
<i>List entity summary if applicable</i>		–	–	–	–	–	–	–
Total future operational costs		–	–	–	–	–	–	–
Future revenue by source	3							
Property rates		–	–	–	–	–	–	–
Property rates - penalties & collection charges		–	–	–	–	–	–	–
Service charges - electricity revenue		–	–	–	–	–	–	–
Service charges - water revenue		–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–
Service charges - refuse revenue		–	–	–	–	–	–	–
Service charges - other		–	–	–	–	–	–	–
Rental of facilities and equipment		–	–	–	–	–	–	–
<i>List other revenues sources if applicable</i>		–	–	–	–	–	–	–
<i>List entity summary if applicable</i>		–	–	–	–	–	–	–
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		544,771	557,834	622,618	–	–	–	–

2.8 LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

2.8.1 In-year reporting

Reporting requirements in terms of the Municipal Finance Management Act and its regulations have been complied with.

2.8.2 Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Finance Department.

2.8.3 Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

2.8.4 Audit Committee

An Audit Committee has been established and is fully functional.

2.8.5 Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalized within 28 days after the tabling of the annual 2015/16 and MTREF on the 31 March 2015 directly aligned and informed by the 2015/16 IDP and budget.

2.8.6 Annual Report

Annual report is compiled in terms of the Municipal Finance Management Act and its regulations.

2.8.7 Municipal Finance Management Act Training

The MFMA training module in electronic format is presented at the municipality's internal centre and training is ongoing.

2.8.8 Policies

All budget-related policies mentioned earlier have been tabled together with the approved budget before council on 31 March 2015, under item A(6).

2.9 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

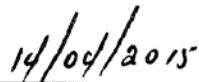
I Mr. N M Seanego, Municipal Manager of Mbombela Local Municipality, hereby certify that the annual draft budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual draft budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print Name

N M SEANEGO

Municipal manager of Mbombela Local Municipality (MP322)

Signature



Date

14/04/2015